

Weekly Compilation of
**Presidential
Documents**



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Editor's Note: The President was at Camp David, MD, on December 21, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, December 21, 2007

**Statement on Senate Confirmation of
James B. Peake as Secretary of
Veterans Affairs**

December 14, 2007

I am pleased that the Senate unanimously confirmed Dr. James Peake to serve as Secretary of Veterans Affairs. Dr. Peake is a decorated veteran, highly skilled physician, and proven leader who has devoted his career to serving America's men and women in uniform. His decades of expertise in combat medicine and health care management have provided him with a thorough understanding of the Department's responsibility to care for America's veterans.

One of his first tasks as Secretary will be to ensure that my administration continues to swiftly implement the recommendations of the Dole-Shalala Commission on Wounded Warriors. I am confident that he will build upon our record of improving care, reducing bureaucracy, and ensuring that our veterans receive the benefits they deserve.

NOTE: The statement referred to former Senator Bob Dole and former Secretary of Health and Human Services Donna E. Shalala, Cochairs, President's Commission on Care for America's Returning Wounded Warriors. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

December 15, 2007

Good morning. In a time of war, America's top priority should be to ensure that our troops on the frontlines get the funding they need. So beginning in February, I submitted detailed funding requests to Congress to fund operations in the war on terror. Congress has had months to pass this funding. Unfortunately, with just days to go before Members leave for their Christmas vacation,

they still have not come through with these funds.

This week, Congress considered a defense authorization bill. An authorization bill is a pledge to spend money. Under such a bill, Congress will make a promise to fund our troops in combat. But a congressional promise, even if enacted, does not pay the bills. It is time for Congress to provide our troops with actual funding.

The stakes are high for our men and women on the frontlines. Our troops are striking blows against the terrorists and extremists in Iraq and Afghanistan, and these funds are critical to their continued success. The funds I have requested include money to carry out combat operations against the enemy. They include money to train the Iraqi and Afghan security forces to take on more responsibility for the defense of their countries. They include money for civilian agencies deployed in the field with our military to help build local governments and create jobs. And they include money for intelligence operations to protect our troops on the battlefield.

Congress has had plenty of time to consider the emergency funds our troops need. Time is running out. And Pentagon officials say that continued delay in funding our troops will soon begin to have a damaging impact on the operations of our military. Congress's responsibility is clear: They must deliver vital funds for our troops, and they must do it before they leave for Christmas. Our men and women on the frontlines will be spending this holiday season far from their families and loved ones. And this Christmas, they deserve more than words from Congress; they deserve action.

Thank you for listening.

NOTE: The address was recorded at 11:15 a.m. on December 14 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on December 15. The transcript was made available by the Office of the Press Secretary on December

14 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on the Death of Representative Julia M. Carson

December 15, 2007

Laura and I are saddened by the death of Representative Julia Carson. Throughout her decade of service in the U.S. House of Representatives and her nearly 20 years in the Indiana General Assembly, Representative Carson served her constituents in Indianapolis with passion and commitment. She was revered as a champion for building strong and safe communities, working to end homelessness, improving financial literacy for all Americans, and helping her constituents achieve and maintain the dream of home ownership.

Julia was a dedicated and admired public servant who will be missed by her many friends and colleagues both at home in Indiana and in our Nation's Capital. Our thoughts and prayers are with her family and friends.

Remarks on the National Economy and a Question-and-Answer Session in Fredericksburg, Virginia

December 17, 2007

The President. Thank you, all. Please be seated. Ralph, thanks for the invitation. Thanks for the gift; it was planted by the first George W. [*Laughter*] I'm glad to be here at the Rotary Club. I have spent some quality times at rotary clubs, whether it was asking for votes or selling baseball tickets. [*Laughter*] I could never get admitted to any of the clubs in Texas cause my voice wasn't good enough. [*Laughter*] But I'm proud to be with you. Thanks for letting me come by and share some thoughts with you about our economy, what's happening in Washington. And if time permits, I'll be glad to answer some questions if you have any.

I also want to thank the chamber for having me as well. Appreciate what you're doing. People say—they're probably wondering why would—old George W. has got something

important to say; why would he bother to come to a place out in the country? And the answer is, because this is where jobs are created; this is where dreams are lived; this is where values are upheld. And so I'm proud to be with you. It kind of reminds me of being in Texas, to come to a place where there's just down-to-earth people that are trying to do what's best for their families and their communities. And so I'm honored to be with you. I appreciate you letting me come by.

Ralph, thanks for the invitation. I also want to thank Bob Hagin. And I'm proud to be here with Congressman Eric Cantor from Richmond, Virginia, as well as newly elected Congressman Rob Wittman. Appreciate you being here. Good luck; I'm looking forward to working with you. I want to thank the speaker of the House of Delegates—you call them delegates, right? Yes. Bill Howell, a good man; good to see you, Mr. Speaker. Appreciate you being here. Senator-elect Richard Stuart, is that right? Yes, appreciate you, Richard. Thanks for coming as well. John [James]* Lacy, past president of Rotary International has bothered to come over. Mr. Lacy, thank you for serving.

You know, I tell the people of our country every time I can that the great strength of America is not our military—although I intend to keep it strong—or the size of our wallets. But the great strength of America are the hearts and souls of our fellow citizens who take time out of their everyday lives to love a neighbor like they would like to be loved themselves. That's what rotaries mean to me.

People are saying, "Well, how can we best foster the well-being of the community in which we live? What can we do as loving human beings to work with our youth like you do at this—here at this rotary club?" And so I want to thank you for what you're doing. I thank you for adding to the great compassion of our country. Societies change one heart and one soul at a time. And I hope you have found what others have found—that if you're part of that helping somebody's live improve, it improves your own.

* White House correction.

Laura sends her very best. She's doing just fine. She's a fabulous wife, great mother, and a wonderful First Lady. And she is—she and I are having the great joy of welcoming people to the White House during the holiday season. It's a pretty spectacular place when you see the trees and all the great garlands. And they do a fine job of decorating the White House. I just put on the lights on the trees. [*Laughter*] But we're having a joyous time.

I want to talk a little bit about our economy and some of the challenges we face and then answer some questions. First of all, I put forth what some would consider a controversial proposal—that's in Washington, DC; at least those in Washington consider it controversial—and that is, cutting taxes on people helps the economy. There's quite an appetite for your money in Washington. People can figure out all kinds of ways to spend the taxpayers' money. My attitude was, particularly in the face of recession and after a terrorist attack, that the best way to help this economy recover was to let people keep more of their own money.

And so I worked with the Congress to cut taxes on everybody who pays taxes. Now, sometimes in the Nation's Capital, they'll say, "Well, some people get tax cuts and others don't." That's not my attitude. My attitude was, if you're paying taxes, you ought to get tax relief; and so we cut taxes. And I mean we cut them on everybody. And when you cut them on individuals, it turns out you also are cutting taxes on small-business owners. Most small businesses in America are subchapter S corporations, or limited liability partnerships, which means that the owners of the companies pay individual taxes. In other words, the company is subject to the individual tax rates. And so cutting individual taxes not only helps consumers and families, but it also helps small businesses.

And the plan worked. If you think about where we were coming out of 2001 and where we are today, you can't help but say the plan worked. Cutting taxes helped stimulate economic growth. Why? Because most new jobs are created by small-business owners. And if you let a small-business owner have more money to save or invest or spend, it means he or she is more likely to hire

somebody. And so we've had a pretty good economic run here in the country, 6 years of growth. We've had 51 straight months of increased job employment. It's the longest—longest period of uninterrupted job growth in the Nation's history. People are working; productivity is high. In other words, our economy is becoming more productive as a result of the advent of new technologies. And that means people are more likely to get paid more.

And yet there are some challenges. There's a credit issue and a housing issue. In other words, what I'm about to tell you is, is that the Congress cannot take economic vitality for granted. There are some positive things Congress can do to make sure that the economy continues to grow and people are working and realizing dreams, and there's some negative things they can do. And the most negative thing the Congress can do in the face of some economic uncertainty is to raise taxes on the American people. If you want to figure out a way to slow this economy down, just start taking money out of people's pockets or making it harder for small businesses to grow and invest.

So one thing I want to share with you today is, I'll veto any tax increase. I don't think Congress needs more money. I think they need to learn how to set better priorities.

And that's what you're watching play out here in Washington. The President submits a budget, and then the Congress can either accept it, run over it, ignore it. And then the Congress—or the Constitution wisely gives a President veto power in order to make sure the President stays involved in the process. And I'm pleased to report that we're making some pretty good progress toward coming up with a fiscally sound budget, one that meets priorities, helps on some emergencies, and enables us to say that we've been fiscally sound with the people's money.

The next couple of days will be interesting to watch. As I say, I'm hopeful, and I appreciate those on Capitol Hill are working hard to come up with a good appropriations package. And that appropriations package, by the way, must also include funding for our troops in harm's way.

Now, I understand people in Washington and people around the country may not have

agreed with my decisions on how to protect America. I know that, and that's fair. That's what democracy should be all about. When people have a difference of opinion with the President, they ought to feel comfortable expressing that difference. And it turns out, quite a few citizens are willing to do that. [Laughter]

But there should be no difference of opinion when it comes to making sure our troops have the funding they need, and there should be no difference of opinion about whether our commanders on the ground ought to be those who decide or those who recommend to the President and the Congress the best way to proceed. And so we'll be watching very carefully as the Congress works through how to spend your money coming down the stretch here before Christmas. They can't have any gimmicks—accounting gimmicks in there. You know, sometimes they'll use the appropriations process to pass law that otherwise didn't make it to the floor of the House or the Senate. I'm sure that doesn't happen, Mr. Speaker, in—[laughter]. Sometimes it happens in Washington, though. [Laughter]

And so I'm looking forward to working with them to come up with a good bill. But they need to fund these troops. And they don't need to be putting artificial timetable for withdrawal on the money that we're asking, to make sure the men and women who courageously serve the United States of America have what it takes to do the job they've been asked to do.

If the Congress can't get the job done—in other words, those jet fumes will start to be moving out pretty soon here, later on this week—if they can't get the job done, then I've got a suggestion for them: And just pass a 1-year continuing resolution. That's all they got to do. If they can't get the job done—like I'm hopeful they will—then all they got to do is just take what's called a continuing resolution; get the people's business done that way; and go on home. They got to make sure they fund the troops, though, on the way out of town.

There's another issue that's coming down I want to bring your attention to—and by the way, the House looks like they're coming up with a reasonable plan, Eric and Rob. So we're watching very carefully. I don't know

if you ever heard of the Alternative Minimum Tax—[laughter]—this was aimed at super-rich years ago, but the plan wasn't indexed for inflation. And all of a sudden, middle class citizens are fixing to be stuck with this bill. And Congress needs to fix the AMT, and they need to do it quickly.

And the Senate, by the way, passed a good version of an AMT fix, so you're not going to get stuck with a higher tax bill. And by the way, it's just not individuals. Again, if you're incorporated through a limited partnership or subchapter S, you'll end up paying higher taxes as well. But they need to move quickly on this piece of legislation because the longer they delay, the more likely it is that there's \$75 billion of refund checks that will be late. People are going to be wondering why they didn't get their refund check on time. And the answer is, it's because there's been a delay in the AMT fix. Now, the positive news is the Senate passed a good bill, and the House of Representatives needs to get it done quickly.

People are concerned around this country about housing. Here's my attitude on housing: One, the Government should never bail out lenders; two, some people bought a house that they shouldn't have been in the market; three, there are speculators who thought they could get—buy nice, one of these reset mortgages, and flip it, make some money. I'm sure none of them are in the Chamber, but nevertheless—[laughter]—that's what happened. But there are some people that are creditworthy that should be encouraged to stay in their homes.

And the issue—the housing issue has changed. I can remember the first home I bought in Midland, Texas. I remember going down to the savings and loan and sitting down with the savings and loan officer and negotiating with the savings and loan officer. Well, this day and age, you know, these mortgages have been bundled. So the savings and loan doesn't own the mortgage anymore, or the bank doesn't loan the mortgage anymore. The local lending institute doesn't loan the mortgage anymore; it's owned by some international group, perhaps, or it's been bundled into an asset. And so there's hardly anybody to negotiate with. And so some lenders aren't

sure where to turn. They have creditworthiness; they may get pinched as their interest rates reset.

But it seems like to me it's in our interests to help people stay in their homes. And there's—we've got a couple of ways to do so. One is through the FHASecure. It's a way for the—Alphonso Jackson and his Department, which is HUD—to help creditworthy people renegotiate and stay in their homes. Congress needs to get a bill to my desk that will make it easier for FHA to continue to help people stay in their homes. We're not bailing people out; we're helping them refinance their money. We're helping them, you know, own—we're helping them stay in a part of the American Dream is what we're doing, and it's worthwhile to do that.

And the other is what's called HOPE NOW, and this is the Treasury Department bringing the private sector together—lenders, investors, mortgage counselors—to help people renegotiate, to help people understand what is possible when it comes to finance and recourse and stay in your house.

So I am concerned; I know you're concerned about the housing industry. We all should be. We've been building a lot of homes, and all of a sudden, fewer buyers are showing up. And it's going to take a while to work through the housing bubble. But we can mitigate some of the issues, and I'm concerned about people who are creditworthy enough to live in their homes not being able to deal with the resets. And so I just want to let you know we got a strategy.

And Congress can help. They can pass the FHA modernization bill, which will help us. And the other issue that they can pass that would really help the homeowner is that when you renegotiate, if you happen to have a mortgage that you're going to have trouble meeting, you can find somebody to renegotiate with, and you do. And part of that loan may be forgiven for tax purpose—you actually have to pay tax. It doesn't make any sense if somebody is struggling to stay in their house and the Tax Code says you get to pay more tax after you've renegotiated your loan. So we need to fix the Tax Code, and the Senate bipartisan way is passing a good piece of legislation. I hope the House takes it up.

Two other issues, and then I'll answer some questions. One, I know if you're a small-business owner, you're concerned about health care, and you should be. And the fundamental question facing the country is, what can the Government do to make health care more affordable and more available? And there's a classic philosophical divide in Washington. On the one hand, there are those who believe that government is the fix, that government can best decide the allocation of resources in health care. And then there are those of us who believe that we ought to push for more consumer—a consumer-driven health care system.

Part of the problem in health care is that there is no consumerism. I shouldn't say "no consumerism," obviously that's a—there is some consumerism. But when a third party pays your bill, you tend not to worry about price. If somebody else pays your bill, you're not really an active consumer. And therefore, the question is—part of the issue with price is, how do you encourage consumerism? And here's one way: change the Tax Code. The Tax Code now says if you work for corporate America—big company—you get a tax benefit. But if you're a small-business owner or you're out on your own, you have to buy health care with after-tax dollars.

And therefore, there's a disincentive for people to be purchasing health care on the individual market, and therefore, the individual market hasn't grown. So I propose to Congress that we allow families, everybody, regardless of your employment status, to be able to deduct \$15,000 off your income taxes, or \$7,500 as an individual, all aimed at level the playing field so that an individual market begins to grow. So step one to consumerism is for individuals to have more options in the marketplace so they can become involved directly in buying better insurance for their families.

Step two is for there to be transparency in pricing and quality, and the Federal Government can help. We're a huge health care consumer. And one of the things that Secretary Leavitt is doing is saying that if you're interfacing with the Federal Government, then you got to post your price. I don't know how many of you ever go to your doctor and

say, "What are you charging, you know, compared to your neighbor?" I suspect you do that when it comes an automobile, but you don't when it comes to buying—to purchasing health care. I never have, frankly. I don't remember asking my buddies in Midland, who are my doctors, "How much are you charging relative to the person down the street?"

So—but the Government can help with pricing transparency. So we're now getting people to—providers to not only post a price, but also we're developing a qualitative index so that people are able to compare price and quality. Now, that—this is a novel concept; I readily concede. But if you're interested in more consumerism, then there has to be transparency in the health care industry.

Third, there needs to be products like health savings accounts expanded. If you're a small-business owner, I strongly urge you to look at a health savings account for a way to help your employees or yourself save for everyday expenses—medical expenses on a tax-free basis and coupled with a catastrophic health plan. The whole purpose there is to give you more decisionmaking in your health care—with your health care and portability.

Because one of the issues facing America, particularly if you're a youngster, is, can you take your health care plans with you? It turns out most young Americans have changed jobs, like, seven or eight times by the time they're 35 years old. And the inability to carry a good health care plan with you, a plan that you own, a plan of which the dollars inside your plan are earning tax-free, creates frustrations for people. This economy is changing. And therefore, the health care industry needs to change with it and provide flexibility for our workers.

Fourth, small businesses ought to be allowed to pool risk across jurisdictional boundaries. Well, that means if you're a restaurant owner here, you ought to be able to pool your employees with a restaurant owner in Texas so that you can go into the market and buy insurance at the same discounts that larger companies get.

Fifth, health care needs to be better at incorporating information technologies. I don't know, I mean—I suspect you'll find some of your docs still writing files by hand. That's a little antiquated these days. The trouble is,

most doctors aren't very good writers to begin with. [Laughter] And so we're using government leverage to help information technology take hold so that there is higher productivity increases in health care, less inefficiency and waste. My dream is for all of us to have a medical electronics record within a decade. My only caveat is, I want to make sure that your material is private and that nobody can access it; it's your material alone. But nevertheless, it makes sense for all your medical records to be on a single chip, which will help take the inefficiencies out of health care and help keep the pressure off cost.

Finally, if you're truly interested in making sure health care is available and affordable, then you need to join the outcry on these frivolous and junk lawsuits. There are too many lawsuits running too many doctors out of practice. We have an ob-gyn crisis in America, in some States, because junk lawsuits are making it impossible for people to practice their skills. And they just—they get sick of it and say, "I'm out of here. I don't want to practice anymore." And plus every time there's a lawsuit, it drives up the cost of medicine. That means you have to pay more. Because why? Because many doctors practice defensive medicine. They say, "Well, if I'm fixing to get sued, I want to make sure I administer as many tests as possible, so that my practice and my techniques can stand up in a court of law," which runs up the cost of medicine.

Now, obviously there ought to be—needs to be recourse for malpractice. Nobody wants to deny anybody their right to have a claim in the court of law. That's one of the great things about America, is if you've got a claim, you ought to be able to take it to the court of law. But we can—and we can pass law that protects somebody's right to go to the court of law and do something about these junk lawsuits. And, you know, it's tough. Boy, the trial lawyers are tough in Washington. In all due respect to the trial lawyers here, you're very powerful politically. We kept—we got the bill out of the House of Representatives. Time and time again it got blocked in the United States Senate.

So here's a commonsense way to move forward to help small businesses and individuals

deal with health care costs. And that stands in contrast to those who really believe the Federal Government can run it better than the individual consumer. And I'm not saying those are bad people who articulate that position; I'm just telling you I think it's wrong for America.

Finally, energy. We're too dependent on oil from overseas. That sounds strange for a Texas guy to say; I know. But dependency on oil creates economic security issues and national security issues and environmental issues. So I proposed a bill that would encourage—let me just—most oil is consumed through automobile usage. So I want to talk to you about automobile usage and electricity, and then I'll answer some questions.

I have proposed a bill, and I'm hopeful it will get a pass by the Congress, that increases CAFE standards, which is the fuel economy standards, in a reasonable way without sacrificing automobile safety. And I've also proposed that we reduce gasoline usage by 20 percent over the next 10 years by using alternative fuels. Now, I wouldn't have done that if I didn't think it was practical and possible.

If you're a hog grower—which I suspect there's not too many around here—but you're a little concerned about the use of ethanol with corn at its base because the price of corn is high; ethanol is beginning to spread in the Midwest, and it's causing the price of corn to go up.

But that's going to be relieved as a result of research and development. One of these days, the scientists tell me—and I believe—that we'll be able to manufacture fuel for your automobiles from switchgrass or biomass or wood chips. And then all of a sudden, if you really think about it and are optimistic about America's capacity to use technology to change our way of life, then all of a sudden, you begin to see the rationale for saying that we can reduce gasoline usage by 20 percent over the next 10 years. I believe it's coming; I really do.

I also believe that a part of that mix is going to be new battery technologies that will enable you to drive the first 40 miles on electricity. And for those of you who are worried about the size of the vehicle, it won't look

like a golf cart. [*Laughter*] It will be a normal size vehicle.

On electricity, there's a lot of talk about electricity; I understand that, and there should be. If America wants to solve its dependency on foreign sources or wants to solve its environmental—deal with environmental concerns, we need to aggressively spread nuclear power. If you're generally an environmentalist, if you're worried about greenhouse gases, then you need to be in the forefront of supporting nuclear powerplants. If you're worried about whether or not we can continue to have the electricity necessary to foster economic growth and vitality, you ought to be for nuclear power. I know that's not necessarily politically correct in some circles, but I believe the engineering is safe, and I know we can come up with ways to dispose of the waste in a safe way.

And so those are some of my thoughts, other than I hope you all have a great holiday season. I'd be glad to—I hope you can tell I'm an optimistic fellow. We've been through a lot over the last 7 years; we really have. But I'm absolutely convinced this country is strong and vibrant. We're in the lead when it comes to the freedom agenda. I believe the decisions that have been made over the last 7 years are going to lead peace. Sometimes I know it's hard for you to tell it. But I'm convinced that when people look back at this era, they're going to say, "Thank goodness the United States of America never abandoned its belief that freedom is universal."

I happen to believe there is an Almighty, and a gift of that Almighty to every man, woman, and child is freedom. And I believe it's in our Nation's interest to act upon that belief. And so I come to you today as a man honored to serve a great country, with some ideas on how we can stay strong economically, and a great faith in the capacity of freedom to bring the peace we want.

And with that, I'll be glad to answer any questions. From anybody other than the press corps. [*Laughter*] If I wanted to have a press conference, I'd call a press conference; right, Herman [Ken Herman, Cox News]?

Mr. Herman. [*Inaudible*]—Mr. President.

The President. I can't hear you. He's from Texas; forgive him. [*Laughter*]

Yes, ma'am.

Oil Industry

Q. I'm from that county outside Texas called Oklahoma.

The President. There you go. We love Oklahoma in Texas, except when you come down and beat our football teams. [*Laughter*]

Q. That is a bad thing.

They seem to be closing a lot of the refineries and capping off different oil wells, et cetera. Are they saving our oil? What are they doing?

The President. What happens—you know, an oilfield plays out. And many of the fields you're referring to in Oklahoma or parts of Texas are just old, and there's little to recover.

One of the interesting things that is taking place around the country, though, is that the higher price of oil has caused people to invest in new technologies, and the new technologies are enabling some to be able to get more of the reserves out of the reservoirs. But when a person caps off an oil well, plugs an oil well, at this price it pretty well means it's played out; there's not left.

Now, refineries is a different issue. We haven't built any new refineries. Now, we've expanded some refineries. We're not building new refineries, and it makes no sense not to increase the supply of gasoline. If you're concerned about the price of gasoline, one way to deal with it is to encourage the expansion of refineries.

And so one of the proposals I put forth to the Congress was, as we shut down bases through the BRAC process, why don't we provide land on those old bases for refineries and to encourage the expansion of refineries here in the United States. And it's just—anyway, it's—there are some who—I don't know why they wouldn't be for something as commonsensical as that.

I'll tell you another thing we ought to be doing is, we ought to be exploring for oil and gas in the Arctic—up in Alaska. You can't believe the technologies that are now available. You can drill on a small pad, without creating much of an impact on the environment, and explore laterally, in order to de-

velop a field. And they tend to drill in the winter, on ice, and they move the rig off in the summer during the melt. So we've got the technologies capable of finding oil and gas reserves and hardly leaving a scratch on the environment up there. But it's become a cause celebre with a lot of the special interests in Washington, DC.

So I can't tell you why people aren't for refinery expansion. I'm just telling you they ought to be. There are some examples where refineries are expanding, like down there in Mississippi, for example, in the—Pascagoula. A big refinery has gotten permits on its current footprint to expand its capacity, and that's going to be good for the country. It's going to take a while. We will be using oil and gas for a while. And it's going to take a while to diversify. Therefore, for the sake of our consumers and our economy, we need to make sure we got reliable supplies as we develop new technologies. And new technologies are coming. It's going to be an exciting era, in my judgment.

Thank you. Yes, sir.

President's Domestic Agenda

Q. [*Inaudible*]*—*a commercial lender here in Fredericksburg.

The President. How do you like the mortgage plan? [*Laughter*] Cause I don't know—

Q. Well, the mortgage plan is a little bit tough. And I'm a commercial lender as well, so it's great to hear from the President. Just two issues that we're looking at against valuating financial statements, daily on the income statements, health care expenses, fuel expenses—what about my big customers that are driving diesel-powered equipment? What if fuel goes to 3.25 a gallon to \$5.00, while at the same time that you're having an escalated health care expenses. So it's great to see you here today and preaching that message because, again, revenues aren't necessarily expanding in this soft economy we're in. So what happens in '08 and '09 when the—

The President. No, I appreciate that. That's why I'm against raising the gasoline tax. In other words, "We need to raise the gasoline tax." It comes up about every year in Congress. I'm against it for precisely that

reason, and—is somebody for it over there? [Laughter] I said, the Federal gasoline tax. [Laughter] Mr. Speaker, I wasn't talking about the State gasoline tax. [Laughter] But it's—yes, look, that's the concern, and I fully understand the pinch some of your folks are going to feel.

Having said that, this economy is pretty good. There are some—there's definitely some storm clouds and concerns, but the underpinning is good, and we'll work our way through this period. But I couldn't agree with you more that there's—your people have got some concerns. There's just some fundamental questions that we're going to have to make on issues like health care. The quick fix, at least what sounds like a quick fix, is going to be, don't worry, we'll handle it for you at the Federal Government.

And to me that would mean that the greatest health care system in the world would head toward mediocrity quite rapidly. We don't want rationing, people standing in lines. We want the great innovation and the private medicine to flourish. So my only caution is, is that people see the health care rising; I hope they don't leap to what sounds like a simple solution that would lead to a long-term problem for the country.

Yes, sir.

Transportation Infrastructure/Fuel Efficiency Standards

Q. You may have noticed that transportation is an issue for us in this area, and—

The President. Actually, the helicopter didn't get stuck in any traffic. [Laughter]

Q. I was wondering—

The President. Yes. What traffic jam? [Laughter] Anyway, yes it is; it's a huge issue.

Q. Yes, sir. And Homeland Security is moving more people in our area here, especially up on 610, and moving a lot of their offices. I was wondering if the Federal Government would be able to help us with our transportation problem, so that we could better facilitate Homeland facility—Homeland Security's problem.

The President. You're not looking for that special earmark, are you? [Laughter]

Q. No, no, sir.

The President. Yes, you are—at least you're honest. [Laughter] Here's the thing

about highway funds, a couple of points. First of all, I don't know if you know this or not, but the Public Works Committee I guess is the largest in the House; is that right, Eric? Yes. And the way they get the bills out of the House onto the floor is everybody gets a special project. And so it's the largest committee, and then everybody gets them a special project, and then the bill moves, and then the funding formulas kick in. The way it ought to be done is they ought to adjust the funding formulas based upon rational measures, and then pass these bills without earmarks, without special projects. That's just the way it works. A lot of the money is spent before it even—the highway bill makes it to the floor, and it's just not a good system.

Secondly—and so therefore, they need to change the system. This isn't going to answer your question specifically. And it's not an intentional dodge, by the way, it's a slight dodge—[laughter]—because you know, you don't want your President walking around promising this project to this person or this project to that person. That's just not a—that's not what the President's job is to do. The President's job is to think strategically for the country and help get fiscal sanity into the process.

Secondly, no question that we're going to have to rethink for the longterm how to fund highways. Right now the highways are funded as a result of gasoline taxes, as you know. Not all of the money from the gasoline tax, by the way, goes to highway projects. There's a lot of mass transit money spent; there's other things that the money is spent on. I'm not making a qualitative judgment; I'm just telling you that not every dime collected from the highway tax—for the highway tax goes to highways.

Automobile—I just told you that we're going to become more efficient with our automobile, we're raising our fuel efficiency standards. In other words, cars and new technology and electricity are going to change how often people go to the pump. And so the source of revenues that had been kind of the staple of the interstate highway system since the fifties is going to change a lot. And so how—what's a rational way forward? I talked to Secretary Peters about this, and I have instructed her to think about alternative

methods of financing highway growth, such as user fees in lieu of/or in combination with current tax structure.

Now why would you do that? Well, if your automobiles are going to get less miles per gallon, then you're going to have to figure out—and you need additional highways, you're going to have to figure out a way to raise the money. And the user fee is a good way to do it. And if you happen to go to a user fee system, one of the interesting things that are being used is differential pricing. In other words, you pay a different price depending upon the day you drive; in other words, a market-oriented system. If one of the things you're concerned about is massive traffic jams on your highways, in and out of your community, then it may make sense to say to somebody, if you're going to ride between 9 and 4, you pay a higher fee than somebody riding before 9 or after 4. It's congestion pricing. It's worked in some parts of the world. I definitely think we ought to look at it.

In other words, what I'm telling you is, the funding system is antiquated relative to the challenges we're going to be facing. And so Secretary Peters is a good, smart soul who is looking through different alternatives. It's going to be a tough issue, as you found out locally, and it's going to be a tough issue, it's hard to get Washington to change sometimes. But we will do our part.

She's, by the way, very much engaged in making sure that the air transportation system is more modern. One thing we did over Thanksgiving, and we'll again do for Christmas, is take away some of the military flight lanes and provide them for commercial airlines. But the truth of the matter is, we need a more rational way of allocating gates amongst airlines, so that there is rational—a market-driven system in place. Anyway, I'm not going to answer your question on the special deal. *[Laughter]* Yes, sir. I'll leave that to your Congressman. *[Laughter]*

Fannie Mae and Freddie Mac Corporations

Q. *[Inaudible]*—Fredericksburg and Stafford area is a high cost-of-living area, and all the proposals for FHA, VA, and conven-

tional loans are tied to the Fannie Mae and Freddie Mac limit of 417,000.

The President. Yes.

Q. And in this area, that works for some folks, but the interest rate on jumbo loans is now 1 percent higher than conforming loans. Has there been some effort to try to increase Fannie Mae or Freddie Mac?

The President. There has, in lieu—in conjunction with reforming of the two institutions to make sure that they stay focused. The reform would make sure they stay focused on their core missions. But there has been—and Secretary Paulson has been working with Congressman Frank in the House on this very issue, which is to raise the limit on jumbos in conjunction with reforms. I don't know if it's going to pass this time or not. I should have checked before I came. But it definitely is a part of the reform agenda that we're working with the House on.

Yes, sir.

Iran

Q. Mr. President, my name is Mike West. I'm a Stafford resident here. It's a pleasure to have——

The President. How long have you been living here, Mike?

Q. Seven years. We moved from Charleston, West Virginia.

My question is, I have three children in the school system here, and I'm very concerned about their well-being, living in this country. And you've done a wonderful job of protecting our Nation, but I'm concerned about the nations like Iraq, who now have nuclear weapons——

The President. Iran.

Q. Iran and Iraq both.

The President. Not Iraq. *[Laughter]*

Q. But my question would be about Iran. How is the diplomatic channels coming through there, as far as——

The President. No, I appreciate that, thanks. You all read a report the other day that said that Iran had, but halted, a covert military nuclear weapons program. I said in my press conference that that report came out, that that report says to me, when you read it carefully, Iran was a threat; Iran is a threat to peace; and Iran will be a threat to peace if we don't stop their enrichment

facilities because—I said that because there are three components to a nuclear weapons program. The first component is having the materials necessary to make a bomb. And you can either purchase materials that have already been processed, or you can learn how to process yourself. That's the enrichment component.

That program is still active, in spite of the fact that most of the world has said to the Iranians, stop your enrichment. And that's where you're watching the diplomacy play out. The ability to weaponize that material, in other words, to make it into something that explodes, that part of the program is what the intelligence people thought was ongoing at one time and suspended.

And finally, in order to be in a position to say you're a nuclear weapon power, you've got to be able to deliver the weapon by missiles. And they've spent a lot of time testing their missiles. So two of the three components in order to become a power, nuclear power with a weapons system, is—they're active. Now what I told the people—first of all, I think Iran is a danger to peace. And I believe that for a variety of reasons. I believe with a weapon they would be very destabilizing. I believe with a weapon we need to take their threats seriously about what they have said about one of our allies, Israel. And therefore, my attitude hasn't changed toward Iran. If somebody had them a weapons program, what's to say they couldn't start it up tomorrow? Since they tried to hide their program before, how would we know?

So my point on the Iranian issue is this: They owe an explanation to the world. They need to tell the world why they had a program that they didn't report. They need to make it clear to the international organization, the IAEA, what that program was all about, and why they hid it from the world. So Iran is a danger, and we will continue to work with friends and allies to convince them that it is in their interests to suspend their enrichment programs. And if they do, there's a way forward for them that is different from the way that—the path they're headed down now. They're heading down a path of isolation right now, and economic sanctions. We passed two resolutions out of

the U.N., and Condi Rice is working on a third.

My message to the Iranian people is, one, we respect your history and traditions. It's your Government that is isolating you from the world. It's the decisions that your Government has made that is making it more difficult for you to put food on the table, making it more difficult for your family to realize their dreams. And there's a better way forward for the Iranian people than to have a Government that is nontransparent, that's hidden a program, and that refuses to listen to the demands of most of the civilized world, which is, give up your—suspend your program.

Interestingly enough, today Russia sent some enriched—or is in the process of sending enriched uranium to Iran to help on their civilian nuclear reactor. If that's the case, if the Russians are willing to do that, which I support, then the Iranians do not need to learn how to enrich. If the Iranians accept that uranium for a civilian nuclear powerplant, then there's no need for them to learn how to enrich. And so I appreciate your question.

Yes, sir.

Care for Wounded Military Personnel

Q. I'm Jeff Davis. I'm a retired marine Vietnam veteran, and I want to be assured that our wounded warriors are getting the health care that they deserve.

The President. Yes, I appreciate you saying that. I want to be assured of that too, Mr. Davis. First of all, thank you for serving. I feel a particular sense of obligation to make sure that the man or woman I send into combat gets the very best care possible. I will tell you, sir, that the doctors and nurses providing our military health care are fabulous. And the health care these troops are getting is excellent—no ands, ifs, or buts about it.

The bureaucracy, however, needed to be reviewed and fixed. You're taking these kids, unlike Vietnam, that are getting wounded in Iraq, they're coming straight off the battlefield, getting fine care there. If need be, they're in Germany getting intensive care. And they're here in the United States of America. Laura and I are going to Bethesda

and Walter Reed on Wednesday and Thursday. Two reasons: One, to tell those troops we love them; and two, to tell those docs and nurses who are working overtime to give them fabulous care, this country appreciates what they're doing.

Now, as you read, the Walter Reed deal, that was a bureaucratic foulup. Secretary Gates moved on it very quickly. It should show you our intensity in making sure that our troops get the very best care. The veterans system, in our judgment, can be fixed and improved. And that's why I asked Bob Dole and Donna Shalala to come together to make sure that veterans' benefits match the needs of these troops coming out of combat in Iraq and Afghanistan.

We've got to make sure that—here's what happens. You get transferred from the Department of Defense into the Veterans Administration, and sometimes that transfer isn't too smooth. So we believe there ought to be a seamless system. There needs to be health information technology for our troops. Our families need to have a case study—a case worker with them all the time.

So we're making good improvements, and we've addressed the bureaucratic shortfalls. We'll probably find others. But you need to know, sir, that I am absolutely convinced I can look the parents of—and loved ones of the troops in our eyes and say, your kid is going to get fabulous health care, and they deserve it.

Yes, sir.

Alternative Fuel Sources

Q. Thank you, Mr. President. With regards to research and development into mileage in cars—and I'm a hybrid owner myself—

The President. There you go.

Q. —is there anything that is being done to—I understand the issue with the ethanol plants is there's no outlet for ethanol, other than 10 percent over at Exxon. Is there anything being done with that respect?

The President. Yes. Listen, a couple points there. First of all, the first hurdle to the use of ethanol is to have automobiles that are capable of using ethanol. And most automobiles are flex-fuel vehicles. You've probably—you've got one, and you just don't

know it. Meaning, you use gasoline or ethanol and the engine works either way.

Secondly, the fuel blends probably in this area are 10 percent, but out in the Midwest they're up to 90 percent. And the reason why is this market is going to develop regionally. And by that I mean, obviously—what's interesting is that the most significant penetration of high-concentrated ethanol is in the Midwest, where there's corn. And if this area doesn't have the fuel stocks necessary to make ethanol, there's not a pipeline system that will enable a lot of ethanol to get here. And so what you're going to have is local production or regional production to fuel the capacity of you to be able to have more ethanol available at the pump.

The issue is the manufacturing of the product in the region as opposed to once the product is here in the region, that you're capable of finding an outlet that will deliver it to you. That's why this research into different raw materials for ethanol is going to be very important. So you can envision, if you can start using wood chips—you got you some wood around here—and all of a sudden it becomes a viable source of input into an ethanol plant.

But out Midwest, I repeat to you—I think they call it E-90, or something like that, which is 90 percent ethanol, is now available in a lot of pumps. And one of the concerns about the folks who live out there is, how do you get more of it available? And the marketplace tends to work. People start showing up demanding ethanol, and all of a sudden somebody figures out how to supply it.

But it's making pretty good market penetration in the Midwest. It's an interesting map to look at, and I believe the reason why is because, since corn is now the main source of ethanol, that's where you get to get your corn. But hopefully this research and development in a relatively quick period will come up with different alternative sources for ethanol. And I think it will, I really do, otherwise I wouldn't have put the 20-10 initiative.

Alrighty. Yes, sir.

Health Care Reform

Q. I'm a physician, and I happen to agree with your attitude about health care. And I think that the consumerism aspect of it needs

to be emphasized. I think we're going to have too many options out there to offer to the American public, and we won't be able to afford all of them. We can't hardly afford it now. But do you have new legislation out that you may propose for next year that would try to implement some of the ideas that you have, other than the health savings account?

The President. AHPs, we'll run it again, associated health plans. That's the plan that enables small businesses to pool across jurisdictional boundaries. Again, that's economies of scale, economies of spreading risk, which to me is a rational plan. It's opposed by different groups, by the way. It sounds logical and sounds rational, but evidently such a plan gets crossways with some of the interests in Washington, otherwise it would have passed.

Secondly, we'll run the tax deductibility again, which would be a significant change in enabling your patients to be treated just like the patient that works for a large corporation. And that's going to be a vital part, Doc, of making sure that people stay—making sure that we have a consumer-driven system.

We may run tort reform again; I'll see what it looks like. As I say, we passed it out of the House twice, if I'm not mistaken; went nowhere in the Senate. So there's three alternatives for you right there.

How's your practice?

Q. Doing well, thank you.

The President. That's good. I'm going to tell you something, we have fabulous health care in America, just so you know. I think it's very important—before people start griping about the health care system here—and of course there's always grounds for complaint—just to compare it with other systems around the world. And one of the reasons our system is expensive is because some of the new technologies that are coming on line, they happen to be saving lives. And can we become more efficient deliverers of health care? You bet. Are there things we can do? Absolutely. But whatever we do, we don't want to undermine the fact that we got great health care. I'm very proud of our docs, nurses, researchers. There's some just fabulous research going on in our country. To me that's in our national interest that we

spend money on medical research, so that we can stay on the leading edge of change.

One more, and then I've got to get home. Yes, ma'am.

Stock Market

Q. Hi, Mr. President, I'm Kate Hopper, and I wanted to extend my holiday wishes to you and your family from all of our family.

The President. Thank you, thank you. I'm fired up about the holidays.

Q. I wanted to ask you—I'm a financial adviser here in Fredericksburg, and I wanted to ask you what your thoughts are on the market going forward for '08, and if any of your policies would make any difference?

The President. No, I appreciate that. Was it Kate?

Q. Yes.

The President. No. [Laughter] I'm not going to answer your question. If I were an investor, I would be looking at the basic fundamentals of the economy. Early on in my Presidency, somebody asked me about the stock market, and I thought I was a financial genius, and it was a mistake. [Laughter] The fundamentals of our—of this Nation are strong.

One of the interesting developments has been the role of exports in overall GDP growth. When you open up markets for goods and services, and we're treated fairly, we can compete just about with anybody, anywhere. And exports have been an integral part, at least of the 3d quarter growth. But far be it for me—I apologize—for not being in the position to answer your question. But I don't think you want your President opining on whether the Dow Jones is going to—[laughter]—be going up or down.

I appreciate you giving me a chance to come by. In the old days, the entourage wasn't quite as big, but we're glad that you were—you welcomed us all. I really do hope your families have a blessed Christmas and a holiday season. May God bless you all, and may God continue to bless our country. Thank you very much.

NOTE: The President spoke at 11:25 a.m. in Yak-a-Doo's restaurant at the Holiday Inn—North. In his remarks, he referred to Ralph Sutton, president, Stafford Rotary Club; Robert Hagin, former executive director, Morgan Stanley Investment

Mgmt.; and former Senator Bob Dole and former Secretary of Health and Human Services Donna E. Shalala, Cochairs, President's Commission on Care for America's Returning Wounded Warriors.

Remarks Following a Visit to the Little Sisters of the Poor's Jeanne Jugan Residence

December 18, 2007

Listen, thank you all for welcoming us. Laura and I are honored to be with you. Sister, thanks for your hospitality, and more importantly, thank you for showing the Nation what is possible when people with loving hearts reach out to a neighbor in need. It is easy to feel the great compassion of the sisters here in this hall as you help make somebody else's Christmas a joyous time of celebration.

First, there are volunteers here in the community who have taken time out of their busy schedules to volunteer to help somebody. And that's one of the messages of the Christmas season: that I hope our fellow citizens reach out and find a neighbor in need, find out somebody who needs a loving pat on the back, or somebody who could use a little help in learning how to read, or an elderly citizen who wants to know that somebody cares for them. It doesn't take much effort; it takes a little prioritization. And during a season in which we count our blessings, I would hope those of us who are blessed help somebody else.

And there's no better place to come to see that happening than right here. The Little Sisters of the Poor are renown for their great hearts and wonderful compassion. Isn't that right, Archbishop? *[Laughter]*

And so Laura and I are thrilled to be here with you all. I do want to thank the volunteers—high school students, some going to the schools nearby, some home-schooled, who have heard the universal call to love a neighbor just like you'd like to be loved yourself.

I want to thank you all for making cards for our troops in harm's way. As I worked the tables, I was most thankful that people here said that they pray for our troops, the safety of our troops. And so do I. And so

does Laura. And one way to let our troops know that people care deeply about their safety and their well-being is to send them a Christmas card, which you all are fixing to do here. So I thank you for that as well.

I finally want to thank our musician. *[Laughter]* The man hadn't lost a step. *[Laughter]* Thank you, sir, for your beautiful—I particularly liked "The Eyes of Texas."

And so we say to you all, Merry Christmas. May God continue to bless you. May God continue to bless the United States of America. Thank you for your hospitality.

NOTE: The President spoke at 10:53 a.m. In his remarks, he referred to Mother Benedict de la Passion (Armstrong), Superior and president of the Jeanne Jugan Residence, Little Sisters of the Poor; Donald W. Wuerl, Archbishop of Washington; and Joe Dignazio, resident, Little Sisters of the Poor.

Remarks on Signing the Energy Independence and Security Act of 2007

December 19, 2007

Thank you all. Please be seated. Mr. Secretary, thank you for that introduction. We're all pleased to be here at the Department of Energy. I particularly want to thank the employees here for their daily efforts to help our country meet its energy needs. Thanks for your hard work. Sam, thank you for your leadership.

As Sam mentioned, I firmly believe this country needs to have a comprehensive energy strategy, and I appreciate the Members of Congress for understanding that as well. Two years ago, I was pleased to stand with Members—many of whom are here—to sign a bill that was the first major energy security legislation in more than a decade. At the time, I recognized that we needed to go even further. And so in my State of the Union, I proposed an aggressive plan to reduce oil consumption of gasoline by 20 percent over 10 years.

Today we make a major step with the Energy Independence and Security Act. We make a major step toward reducing our dependence on oil, confronting global climate

change, expanding the production of renewable fuels, and giving future generations of our country a nation that is stronger, cleaner, and more secure.

I do welcome members of the Cabinet who've joined us. I particularly want to thank the Speaker and the leader. I appreciate your leadership on this important issue. Speaker Pelosi is here with Congressman Steny Hoyer, House majority leader. Welcome, Mr. Leader. Leader Reid has brought Members of the Senate with him: Senator Inouye, Senator Bingaman, Senator Stevens—I think that's Senator Domenici there in disguise with a—[laughter]. Looking pretty handsome, isn't he? I appreciate Congressman Dingell and Congressman Markey, Congressman Gordon. These are all leaders on their respective committees that helped bring this bill to my desk. I also want to welcome all the other Members of Congress who have joined us.

One of the most serious long-term challenges facing our country is dependence on oil, especially oil from foreign lands. It's a serious challenge. And Members of Congress up here understand the challenge, and so do I. Because this dependence harms us economically through high and volatile prices at the gas pump, dependence creates pollution and contributes to greenhouse gas admissions. It threatens our national security by making us vulnerable to hostile regimes in unstable regions of the world. It makes us vulnerable to terrorists who might attack oil infrastructure.

The legislation I am signing today will address our vulnerabilities and our dependence in two important ways. First, it will increase the supply of alternative fuel sources. I proposed an alternative fuel standard earlier this year. This standard would require fuel producers to include a certain amount of alternative fuels in their products. This standard would create new markets for foreign products used to produce these fuels. This standard would increase our energy security by making us less vulnerable to instability—to the instability of oil prices on the world market.

The bill I sign today takes a significant step because it will require fuel producers to use at least 36 billion gallons of biofuel in 2022.

This is nearly a fivefold increase over current levels. It will help us diversify our energy supplies and reduce our dependence on oil. It's an important part of this legislation, and I thank the Members of Congress for your wisdom.

Second, the legislation also—will also reduce our demand for oil by increasing fuel economy standards. Last January, I called for the first statutory increase in fuel economy standards for automobiles since they were enacted in 1975. The bill I'm about to sign delivers on that request. It specifies a national standard of 35 miles per gallon by 2020, which will increase fuel economy standards by 40 percent and save billions of gallons of fuel. This bill also includes an important reform that I believe is essential to making sure that we realize this strategy. It allows the Department of Transportation to issue what are known as "attribute-based standards," which will assure that increased fuel efficiency does not come at the expense of automobile safety. This is an important part of this bill, and again, I thank the Members for taking the lead.

The bill also includes revisions to improve energy efficiency in lighting and appliances. It adopts elements of the Executive order I signed requiring Federal Agencies to lead by example in efficiency and renewable energy use.

Taken together, all these measures will help us improve our environment. It is estimated that these initiatives could reduce projected CO₂ emissions by billions of metric tons. The U.N. climate change meeting in Bali last week—our Nation promised to pursue new, quantifiable actions to reduce carbon emissions. Today we're doing just that. The legislation I'm signing today will lead to some of the largest CO₂ emission cuts in our Nation's history.

The legislation I'm about to sign should say to the American people that we can find common ground on critical issues. And there's more we can accomplish together. New technologies will bring about a new era of energy. So I appreciate the fact that Congress—in the omnibus spending bill that I'm going to sign later on—recognizes that new technologies will help usher in a better quality of life for our citizens. And so we're going

to spend money on new research for alternative feedstocks for ethanol. I mean, we understand the hog growers are getting nervous because the price of corn is up. But we also believe strongly that research will enable us to use wood chips and switch grass and biomass to be able to develop the ethanol necessary to help us realize the vision outlined in this bill.

I appreciate very much the fact that we're going to fund additional research on new battery technologies to power plug-in hybrids. We're spending money on innovative ways to capture solar power. We're making—providing incentives for nuclear energy. If we're serious about making sure we grow our economy and deal with greenhouse gases, we have got to expand nuclear power.

It is going to take time to transition to this new era. And we're still going to need hydrocarbons. And I hope the Congress will continue to open access to domestic energy sources—certain parts of the Outer Continental Shelf in ANWR. And to protect us against disruptions in our oil supply, I ask Congress to double the current capacity of the Strategic Petroleum Reserve.

With these steps—particularly in the bill I'm about to sign—we're going to help American consumers a lot. We'll help them by diversifying our supplies, which will help lower energy prices. We'll strengthen our security by helping to break our dependence on foreign oil. We'll do our duty to future generations by addressing climate change.

And so I thank the Members of Congress. I appreciate the fact that we've worked together, that we can show what's possible in addressing the big issues facing our Nation. This is a good bill, and I'm pleased to sign it.

NOTE: The President spoke at 10:25 a.m. at the Department of Energy. H.R. 6, approved December 19, was assigned Public Law No. 110–140.

Remarks on Signing a Bill To Prevent Taxation of Payments From the Hokie Spirit Memorial Fund to Virginia Tech Victims and Families

December 19, 2007

It's my honor to welcome the president of Virginia Tech, the mayor of Blacksburg, the Governor of the Commonwealth of Virginia, and, of course, distinguished members of the congressional delegation, here as I sign a bill that's going to help the folks who suffered mightily on that day when a gunman killed their loved ones. It's a good piece of legislation. I appreciate members from both parties working on it.

And I asked the President how—what the spirits are like there at Virginia Tech, and he said they're strong. And I'm not surprised. Having been there for that memorial ceremony, I left with the distinct impression that of all the communities in America that could deal with a tragedy, it's the Virginia Tech community.

And so I want to say to the families who still suffer, we think about you. And to the students and faculty and alumni and leadership of Virginia Tech, thank you for helping those who suffer reconcile and recover from the grief they feel. So it's my honor to sign this important piece of legislation.

NOTE: The President spoke at 11:37 a.m. in the Oval Office at the White House. In his remarks, he referred to Charles W. Steger, president, Virginia Tech; Mayor Ron Rordam of Blacksburg, VA; and Governor Timothy M. Kaine of Virginia. H.R. 4118, approved December 19, was assigned Public Law No. 110–141.

Remarks Following a Visit With Wounded Troops and Their Families at the National Naval Medical Center in Bethesda, Maryland

December 19, 2007

The President. Admiral, thank you very much for your hospitality. You know, it's a great honor to come here. It's an honor to see the troops who have been wounded; and it's an honor to hug their families; and it's an honor to see the fabulous care that these folks receive. You know, our citizens wonder

whether or not troops in harm's way will get superb medical care. And the answer is: Absolutely; they get fantastic medical care.

Sometimes there's bureaucratic snafus that we're straightening out. But our citizens should never question whether or not the nurses and docs and caregivers are giving it their all in a professional way. They're saving lives, and they're healing hearts at the same time. And so it's a wonder what takes place here, Admiral. And I want to thank you and the Colonel for taking the lead. And you know, I'm—I know Americans join me in praising our troops and honoring their families.

Merry Christmas to you.

Rear Adm. Jeffries. Thank you, sir. It's an honor to serve them and you.

The President. Yes, sir. Thank you all. Thank you.

NOTE: The President spoke at 2:14 p.m. Participating in the visit were Rear Adm. Richard R. Jeffries, USN, commander, and Col. Leon E. Moores, USA, deputy commander for integration, National Naval Medical Center.

Message on the Observance of Eid al-Adha

December 19, 2007

I send holiday greetings to all Muslims celebrating Eid al-Adha.

During Eid al-Adha, Muslims around the world reflect on Abraham's unwavering faith and his trust in God when asked to sacrifice his son. These four days are a time for Muslims to honor Abraham's obedience by celebrating with family and friends and showing gratitude for the many blessings bestowed by God. This holiday also helps ensure the important values of compassion and devotion are passed on to future generations.

America is a land of many beliefs, and our society is enriched by our Muslim citizens. The kindness, generosity, and goodwill displayed by American Muslims during this special occasion and throughout the year have contributed to the strength and vitality of our Nation. May all those observing Eid al-Adha find love and warmth during this joyous holiday.

Laura and I send our best wishes for a memorable celebration.

George W. Bush

NOTE: An original was not available for verification of the content of this message.

Proclamation 8212—National Mentoring Month, 2008

December 19, 2007

By the President of the United States of America

A Proclamation

Millions of Americans lend their time, talent, and energy to become mentors and make a difference in children's lives. During National Mentoring Month, we honor these caring individuals for their dedication to changing our country one heart and soul at a time.

By sharing their knowledge and experiences, mentors serve as examples for young people and help teach them the skills they need to succeed in life. They also provide stability, instill important values, and build confidence in those they assist. Mentors are soldiers in the armies of compassion, and they encourage children to set goals and achieve their dreams.

My Administration is committed to helping our Nation's children realize their full potential by expanding opportunities for Americans to mentor. To raise awareness of the challenges facing our youth and encourage adults to connect with young people through family, school, and community, First Lady Laura Bush is leading the Helping America's Youth initiative. Through the USA Freedom Corps, we are connecting individuals with volunteer opportunities, including mentors who work with young people in schools and community organizations. By encouraging Americans to mentor, we are doing our part to see that more of America's children grow into strong, confident, and successful adults.

I appreciate all those who reach out to young people and inspire future generations to pass on this rich tradition that makes our country strong. I urge all Americans to get involved in mentoring programs and to visit

the USA Freedom Corps website at volunteer.gov to learn more about mentoring opportunities in their communities. Together, we can build a culture of service and foster a more compassionate society that recognizes the value and purpose in every single human life.

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim January 2008 as National Mentoring Month. I call upon all Americans to recognize the importance of mentoring, to look for opportunities to serve as mentors in their communities, and to observe this month with appropriate activities and programs.

In Witness Whereof, I have hereunto set my hand this nineteenth day of December, in the year of our Lord two thousand seven, and of the Independence of the United States of America the two hundred and thirty-second.

George W. Bush

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The President's News Conference

December 20, 2007

The President. Good morning. I hope you all enjoyed the holiday reception at the White House as much as Laura and I enjoyed it. We took an inventory of the silverware, and this year, only a few pieces were missing. So, like, if you see Gregory [David Gregory, NBC News], tell him to bring them back. [Laughter] I've decided to come in and visit with you because you're heading off on the holidays, and so are we, and we wish you happy holidays.

I think recent days have been a moment that the country can be proud of. In the past few days, we have stopped a tax increase on the middle class families, we improved our energy security, we delivered relief to struggling homeowners, and we funded our troops. I want to thank the members of both

parties for their hard work in these areas. I'm pleased that we have been able to end this year on a high note by moving beyond our differences and achieving important results for the American people.

This week, Congress passed legislation to protect middle class families from the burden of the Alternative Minimum Tax, without raising taxes. Unfortunately, Congress passed this legislation after a lengthy delay. It's going to—the delay is going to add time it takes to process tens of billions of dollars in refunds. And so we will work hard—now that the bill is passed, we will work hard to minimize the impact of the congressional delay so that Americans can get their refund checks as soon as possible.

Congress passed a good energy bill. The legislation I signed yesterday will reduce our country's dependence on foreign oil by increasing the supply of alternative fuel sources and increasing fuel economy standards. It demonstrates America's leadership in confronting climate change.

Congress also passed legislation to help homeowners struggling to make their mortgage payments. The bill I'm going to sign this afternoon increases the incentives for borrowers and lenders to work together to refinance loans. It will allow American families to secure lower mortgage payments without facing higher taxes. This is a tax reform bill. It takes away the penalty that a homeowner—a tax penalty a homeowner will receive if he or she renegotiates the loan to a lower rate, to a lower value for the house.

Finally, Congress reached agreement on a spending bill to fund the day-to-day operations of the Federal Government. They passed this bill without raising taxes. They eliminated many of the worst policy riders that would have never been approved through the ordinary legislative process. I appreciate that they included a down payment on the funding request for our troops on the frontlines in Afghanistan and Iraq without an artificial timetable of withdrawal. These brave men and women are risking their lives to protect us, and they deserve the full support of the U.S. Government.

I'm disappointed that Congress resorted to passing all this spending in one massive, more than 1,400-page omnibus bill, rather

than considering and passing individual spending bills in the normal process. The omnibus bill was approved at the last minute, nearly 3 months after the end of the fiscal year. When Congress wastes so much time and leaves its work to the final days before Christmas, it is not a responsible way to run this Government.

Another thing that's not responsible is the number of earmarks that Congress included in a massive spending bill. Earmarks are special interest items that are slipped into big spending bills like this one, often at the last hour, without discussion or debate. Congressional leaders ran in the last election on a promise that they would curb earmarks. And they made some progress, and there's more transparency in the process, but they have not made enough progress. The bill they just passed includes about 9,800 earmarks. Together with the previously passed defense spending bill, that means Congress has approved about 11,900 earmarks this year. And so I'm instructing Budget Director Jim Nussle to review options for dealing with the wasteful spending in the omnibus bill.

I'm also disappointed that Congress failed to pass legislation to ensure that our intelligence professionals can continue to effectively monitor terrorist communications. Those of us in public office have no greater responsibility than stopping new attacks on our country. And this summer, Congress passed a bill that—called the Protect America Act, which strengthened our ability to collect foreign intelligence on terrorists overseas. The bill closed dangerous gaps in our intelligence; it was a good piece of legislation. It wasn't perfect, but it was good. Unfortunately, Congress made this law effective until February 1st of 2008, as if the terrorist threat is going to go away on February the 1st, 2008.

The first priority of Congress when it returns in the new year must be to pass a good bill and get it to my desk promptly. They have a duty to give our professionals the tools necessary to protect the American people. The bill should include liability protection for companies that are facing multibillion-dollar lawsuits, only because they are believed to have assisted in the efforts to defend our Nation following the 9/11 attacks. And it must

ensure that our intelligence professionals have all the tools they need to keep us safe.

I hope the Members of Congress enjoy their holiday break; I intend to enjoy mine. We have a great deal of work in the months ahead. Next year is an election year, but that does not relieve us of our responsibility to carry out the people's business. The American people did not elect us to govern in odd years and campaign in even years. They expect us to get things done. That's what we've accomplished over the past few weeks, and we need to carry this momentum into next year. I'm going to do my part, and I call upon the leaders of both parties on Capitol Hill to do their part.

And now I'll be glad to answer some of your questions, starting with AP man [Terence Hunt, Associated Press].

Central Intelligence Agency Interrogation Tapes

Q. Mr. President, there's ambiguity in the statement that you have no recollection about the existence and destruction of the CIA interrogation tapes. Why can't you say yes or no about the tapes and their destruction? And, regardless, do you think the destruction of the tapes was a responsible thing to do?

The President. It sounds pretty clear to me when I say I have—the first recollection is when Mike Hayden briefed me. That's pretty clear. Secondly, I am confident that the preliminary inquiry conducted by the AG and the IG of the CIA, coupled with the oversight provided by the Congress, will end up enabling us all to find out what exactly happened. And therefore, over the course of these inquiries and oversight hearings, I'm going to reserve judgment until I find out the full facts.

I know I'm going to be asked about this question a lot as time goes on. I'm just going to prepare you—until these inquiries are complete, until the oversights are finished, then I will be rendering no opinion from the podium.

President Vladimir Putin of Russia/ Russian Elections

Q. Vladimir Putin has just been named Time magazine's "person of the year." And

he has signaled that he intends to become Prime Minister. You said once that he had been wily about his intentions, but now that he's made those clear, what does it say about the state of democracy in Russia?

The President. You know, I'm looking forward to seeing him at the alumni meeting of the "men of the year," or the "persons of the year." I don't know when it's going to be, but—look, I presume—I haven't read the article, but I presume they put him on there because he was a consequential leader. And the fundamental question is, consequential to what end? What will the country look like 10 years from now?

My hope, of course, is that Russia is a country which understands there needs to be checks and balances and free and fair elections and a vibrant press; that they understand Western values based upon human rights and human dignity are values that will lead to a better country. That's my hopes.

Now, your speculation as to whether or not he'll be the Prime Minister: I don't know if he is; I haven't talked to him about it. And until that happens, I think we better just watch and see. What will be interesting next year is how the Russian President carries on his business—the new Russian President. In other words, we'll be together probably a couple of times next year, and it will be interesting to see how foreign policy is conducted and what the role of President Putin may be or not be. I just don't know yet, so we'll just wait and see how it—what happens.

John [John Yang, NBC News].

Cooperation With Congress/Legislative Agenda

Q. Mr. President, a year ago when you had your year-end press conference, the Democrats had just taken control of Congress. They said that one of their main goals was to end the war in Iraq. They were talking a lot about very contentious times ahead. As you just said, the Congress has now passed again, without strings, money for the war, and you've achieved a lot of your goals and have gotten a lot of things you wanted from Congress without a lot of give-and-take with them by talking tough with firm veto threats. What does this say about the Democratic

leadership, the way they're running Congress, and your relations with the leaders?

The President. You know, I don't view—I just don't view life as zero-sum. I think all of us deserve credit for getting some things done. The President constantly has to make sure that the executive branch is involved in the process, and one way is to use the veto. And the veto wouldn't have been effective without close coordination and consultation with Republican leaders in the House and the Senate. And in that, we made the veto effective. It then meant that negotiations could proceed with the President involved.

And so I really don't sit here and say, "Well, you know, he won; they lost," or "They won; he lost"—it's just not my nature—because I think what ended up happening was good for the country. I think it's good that we ended up with a spending bill that met 933, but also dealt with some emergencies. I think it's good that we funded our troops without an artificial timetable for withdrawal. I think it's good for the country that that happened.

I know it's good that we passed an important piece of energy legislation. I proposed that in my State of the Union, but it required a Congress willing to work with the executive branch and to work among themselves to get the bill passed. So there's plenty of credit to go around.

I know we live in an environment here in Washington where—I'm not saying you try to stir this up, but sometimes it's beneficial to constantly harp on, well, they don't get along here, or maybe they can't agree here. It's so-and-so versus so-and-so—it's an antagonistic world from some people's point of view. I try to make it less that way and to focus on high priorities.

And we got a lot of priorities for next year. And one of my priorities—this is—I understand this is a bone of contention, but one of the priorities is to make sure they don't run up the taxes on people. And my attitude is, if you run them up on one area, it'll become a habit that will be hard to break, and then they'll try to run them up on other areas. And the reason I feel strongly about that is, I don't want to undermine the economy by raising taxes.

There's some areas where we can work together, like reauthorization of No Child Left Behind, although I will warn Congress that—in that the current bill doesn't expire, if they try to weaken the current bill, I'll veto any attempt to weaken it. But I believe we can strengthen it. I spoke to Senator Kennedy on this issue and Congressman Miller and Senator Enzi and Congressman Boehner about how to strengthen No Child.

I mean, there's a lot of things we can do together, I guess what I'm saying, John. And so I leave the year feeling good about our capacity to get some important things done. And of course I'm grateful that the troops got funded. One of the—one of my concerns from the last year was that Congress initially spent a lot of time on passing resolutions and sentiment and trying to put—trying to tell our commanders how to conduct the war. And it just didn't work. But they spent a lot of time on the subject, which meant when we came down to the end of the year, there was a lot of unfinished business. But we got it done.

Yes, Bill [Bill Plante, CBS News].

Progress in Iraq

Q. Mr. President, despite the military success of the surge, there's no evidence that one of its intended benefits, making it easier for the Iraqis to form a unity government, has had any effect. Refugees won't come home from Syria. There was an opinion poll this week which said that most of the Iraqis surveyed blamed us, said things would be better when the U.S. leaves. What benchmarks can the Iraqi Government meet that would change this? What do you want them to do?

The President. Well, first of all, I don't agree with your premise that there's no politics taking place in Iraq. There is a functioning Government. They did pass a budget last year, and they're in the process of passing their budget this year. I am pleased to report that there's been two readings of a de-Ba'athification law to the Council of Assemblies.

Well, Bill, I mean, if your standard is—if you're trying to judge the Iraqi Parliament based upon our own Congress's ability to get bills done—is that what you're saying—I'd

be a little careful. It took our Congress till the last minute to get things done. I mean, the legislative process is not all that smooth at times. And they've got a lot of work to do; don't get me wrong. I mean, I am not suggesting that we shouldn't, as a Government, continue to press them. What I am suggesting, though, there is a functioning Government. Your statement was, security didn't provide room for a government to stand up and function. Well, it's happening. And so therefore—and therefore, we will continue to press them on de-Ba'ath law, Provincial election laws, power sharing with the central Government and the Provinces, and oil law.

But as I've reminded you from this podium, they are distributing oil revenues to the Provinces. There is revenue sharing, and there's local reconciliation taking place. And a lot of times it's local politics that will drive national politics. Are we satisfied with the progress in Baghdad? No. But to say nothing is happening is just simply not the case.

2008 Presidential Election

Q. I understand you do not want to discuss the Presidential campaign——

The President. That's true——

Q. ——let me ask you a question about——

The President. ——so therefore, why don't you ask me about the Presidential campaign. I'll confirm it.

Q. Let me ask you about all Presidential campaigns——

The President. Sure. [Laughter]

Q. You've been in office for 7 years now. You must have some pretty strong opinions about what it takes to sit in the Oval Office. What is important to you? Is experience in government important? Are a candidate's religious views important to you?

The President. It's a good attempt to get me in the race. [Laughter] What's important to me will be this: the principles by which people will make decisions. People develop principles all different kinds of ways. But you can't be the President unless you have a firm set of principles to guide you as you sort through all the problems the world faces. And I would be very hesitant to support somebody who relied upon opinion polls and

focus groups to define a way forward for a President.

And so my question to—if I were asking questions to people running for office, I'd say, what are the principles that you will stand on, in good times and bad times? What will be the underpinning of your decisions? What will it be? Because a President needs to be consistent, and a President needs to understand that what may look like a non-issue today could be a big issue tomorrow.

And secondly I would say, how do you intend to get advice from people you surround yourself—who are you going to surround yourself? And what process will you have in place to ensure that you get the unvarnished opinion of advisers? Because whoever sits in that Oval Office is going to find this is a complex world, with a lot of issues coming into the Oval Office—a lot—and a great expectation in the world that the United States take the lead. And so my question would be, how do you intend to set up your Oval Office so that people will come in and give you their advice?

And so those would be the two questions I'd ask. And—

Q. It sounds like you think the principles are more important than experience or specific religious views.

The President. No, sometimes you develop your principles as a result of experience. Sometimes you develop your principles based upon your—how you were raised or your religious experiences. I just want to know whether or not somebody has got a sound set of principles from which they will not deviate as they make decisions that will affect the peace and security of our country.

Bret [Bret Baier, FOX News].

Progress in Afghanistan

Q. Thank you, Mr. President. Good morning. You've announced a review of the situation in Afghanistan. The last time the American people heard about a review of the war, it ended up in a surge of U.S. troops in Iraq. Can the U.S. expect a surge of U.S. troops in Afghanistan? And do you agree with many analysts who say that the real problem in Afghanistan—or a major problem is that the NATO allies are not getting it done or avoiding the fight there?

The President. Part of the review is to assess how best to make sure our coalition partners realize there is a coherent strategy of which they are an integral part, all aiming to make sure that there is a presence that will assure the Afghan Government and the Afghan people that people will be trying to help them with their security.

It is—it makes sense for us to constantly review our strategies in a variety of theaters. That's what good governance is: You analyze the situation a year after the previous strategy to determine whether or not—what worked and what didn't work. What did work was the—you might remember last year; I guess there was a lot of talk about the Taliban surge or the Taliban offensive. And General McNeill informed us that the only team that's going to be on the offense is American and NATO allies and other allies.

And we were on the offense. And the Taliban got hit hard last year. The question, of course, is—just like in Iraq—is there a followup to the security gains? In other words, is life changing better for the average citizen? That's the question that we all got to be looking at. Unity governments are important, but does the average citizen realize that a free society is in his or her interest.

And I visited with President Karzai on the SVTS the other day, and it's a question I basically asked him. I said, we were successful militarily; what's happened in your country that you can point to that indicates that you're taking advantage of better security in certain places?

And he pointed out some interesting things. He talked about the—I think it's 5 million children now going to school. It was an interesting measurement for him. He says, "I believe we're taking advantage of the security because more of our children are getting educated." He told us a story—I can't remember the exact Province—about when he was part of the struggle against the Taliban. Somebody got wounded; he took them to the hospital—there was nothing there. You know, it was like they called it a hospital. It was just kind of a rundown place where a person couldn't get much good health care. And now, all of a sudden, he talks about an expanding health care system and the infant mortality rate dropping. He talks about the

roads that are being built so that the average citizen there can get their crops to market. And we checked into his assertions, and they're true. So this is a society that is evolving.

Now, it takes awhile for societies that have been brutalized by tyranny and wracked by war to meet expectations. So the questions I ask on Iraq and Afghanistan are: Is there progress? Are people feeling better about life? And of course we press their governments to work to come together and get budgets passed, or in Iraq's case, de-Ba'athification law or oil laws. And those are all important. But also what's important is the human condition. And I believe we're making progress on both fronts.

Yes, sir.

NATO Allies' Role in Afghanistan

Q. One more, I'm sorry. On the NATO allies, do you believe that they're avoiding the fight, or at least some of them are?

The President. Well, I would like to praise the Brits, the Canadians, the Dutch, the Danes, and other countries for their contribution—the Aussies—for their contribution of shooters, fighters, people that are willing to be on the frontline of this battle. These are brave souls. They're working side by side with the Afghan forces and U.S. forces to deal the Taliban a blow. And I've only got praise for them.

I understand that some countries are in a position where they can't commit combat troops. And so the question is, are we able to leverage their position in Iraq in such a way that enables us to stay on the offense against the Taliban, help the Afghans to do so?

And my biggest concern is that people say, "Well, we're kind of tired of Afghanistan; therefore, we think we're going to leave." That would be my biggest concern. And so our objective is to help people meet a mission that they're comfortable with achieving, and convince them that this is going to take awhile. It's going to take time for this democratic experiment there in Afghanistan to work. And I believe it will.

As you all know, I've said this many times from the podium: I do believe in the universality of freedom. I believe if people are

given a chance to be free, they will do so. Now, I understand some don't believe that. It's kind of like we're the only ones that can be free. It's kind of the ultimate isolationism, isn't it? And the question then is, is it in our Nation's interest to help others realize the blessings of liberty? And I—clearly, the Bush foreign policy says it is, because I believe it's going to yield peace—and particularly important given the fact that we're in an ideological struggle against people who use murder to achieve political objectives.

And we've faced these kind of people before in our past. And the question is, does it make sense to confront them? And if we forget the lessons of September the 11th as a nation, we will be naive or blind to the realities of the world. And the best way to confront these folks in the long term is to defeat their ideology with one based upon hope, and that's one based upon liberty. And that's what you're watching unfold. It's necessary work, and it's hard work, and it requires determination and effort and commitment. And so part of our efforts is to convince others, one, the nature of the world in which we live; two, that we're in an ideological struggle; and three, we will prevail because we've got the ultimate weapon against those who can't see anything but terror and murder as a way forward. And that is freedom.

Yes, Holly [Holly Rosenkrantz, Bloomberg News].

National Economy/Home Loan Industry

Q. Mr. President, prominent Republican economists, including Alan Greenspan and Marty Feldstein, are saying the Government should do more to head off a recession. Greenspan is suggesting you need Government money to prevent home foreclosures, and Feldstein is suggesting more tax cuts. Should the Government do more, and if so, what?

The President. Well, we're constantly analyzing options available to us. My view of the economy is that the fundamentals are strong, that we've had strong growth for a reason—that we're competitive; we got flexible workplace; that we kept taxes low; exports are up.

Like many Americans, I'm concerned, and I'm concerned about the fact that Americans see their costs going up. I know Americans are concerned about whether or not their neighbor may stay in their house. And so we're dealing with these issues.

On the housing front, I made it clear we're not going to bail out lenders, and we're not going to help speculators. But we will help creditworthy people stay in their homes. And that's what Secretary Paulson has done, along with Secretary Jackson, in putting together what's called the HOPE NOW coalition, which has got lenders and financiers and consumer advocates all working together to develop standards to make it more likely a creditworthy person can refinance their home.

See, the difficulty we face in the housing market is that the lender, the person who actually made the note, oftentimes doesn't end up owning the note. That note could be—in the recent past has been bundled and sold as an asset. And so there's no telling who owns the mortgage of the person who wants to renegotiate. And so we're helping deal with the new realities in a way that we believe is going to be effective.

Secondly, the Congress can really help by passing a FHA modernization bill. The House passed a bill. The Senate passed a bill. They need to get together when they get back, quickly, and get it to my desk so that it makes it easier for the Federal Government, in this case, to help people refinance their homes.

In terms of further stimulation, we'll consider all options. So we're watching carefully.

Let's see here. Baker [Peter Baker, Washington Post].

Environment/Fuel Efficiency Standards/ Alternative Fuel Sources

Q. Thank you, Mr. President. Yesterday you joined together with House Speaker Pelosi and Senator Reid to sign the energy legislation and talk about the importance of the bill in curbing greenhouse gases, among other goals. However, your administration then told California that it couldn't implement its own plan to restrict tailpipe emissions. How important is fighting greenhouse gases to you? Why can't the States try to do more? And can you tell me anything about

your conversation with Vice President Gore about climate change a few weeks ago?

The President. Remind me about that here. Let me finish the first part of the question, and remind me you asked that.

The question is how to have an effective strategy. Is it more effective to let each State make a decision as to how to proceed in curbing greenhouse gases, or is it more effective to have a national strategy? Director Johnson made a decision based upon the fact that we passed a piece of legislation that enables us to have a national strategy, which is the—increasing CAFE standards to 35 miles an hour by 2020 and a substantial increase of alternative fuels—36 billion gallons by 2022.

And so the Director, in assessing this law, and assessing what would be more effective for the country, says, we now have a national plan. It's one of the benefits of Congress passing this piece of legislation.

I told Vice President Gore that I take the issue seriously. And we're developing a strategy that will deal with it—and an effective strategy. Yesterday's bill is a part of that strategy. When you replace as much gasoline on a mandatory basis as we're suggesting, it's going to do a lot to improve the greenhouse gases. And by the way, the bill I signed was a little weaker than the one I suggested, but nevertheless was happy to sign it.

And one of the key components, by the way, to be successful on reformulated fuel standards is to spend research and development money on cellulosic ethanol, new ways to manufacture ethanol. We can't rely only on corn in order to meet these standards. And I understand a lot of people in the farm belt are getting concerned—unless, of course, you're a corn grower. But if you're feeding cattle or feeding hogs, the cost of business has gone up. And that's one of the tradeoffs you have to make. So what I want to assure people out there is that we're spending a lot of taxpayers' money in a way to figure out how to use wood chips or switchgrass in order to make ethanol. But this is a real national plan.

Secondly, in order to be effective on a global basis, countries that emit greenhouse gases need to be at the table. One of the main reasons I was against Kyoto was that China wasn't at the table. I mean, we could

do all we wanted to do, but it wouldn't affect greenhouse gases over the long run unless a country like China had agreed to participate in a strategy.

And so we went to the Bali Conference with that in mind and worked out a compromise that said, we're committed to a process that's going to unfold over the next 2 years. But we've also got a parallel process working to make sure major emitters sit at the table and come together, hopefully, on a goal that we all agree to. And it's a strategy that I laid out at the G-8 in Germany; it's a strategy that was explained to everybody there in Bali; and it's a strategy we think will be effective.

And so, absolutely, I take the issue seriously. But I want to make sure that we're effective in what we do, and secondly, do not wreck our economy in whatever we do. See, it is hard to develop the technologies necessary to be able to make sure our standard of living remains strong and deal with greenhouse gases if you're broke. If you don't have any money, it is really hard to develop new technologies. And so we need to be prosperous for a lot of reasons, primarily so our citizens can have a good life, but also so that we're wealthy enough to make the investments necessary to deal with greenhouse gases.

Finally, if you're truly serious about dealing with greenhouse gases, then it seems like to me you ought to be a strong supporter of nuclear power. Nuclear power enables us to generate electricity without emitting one unit of greenhouse gases. I am—to me, I am amazed that our country isn't more robust in supporting the advent of nuclear power. I certainly am, and applaud those efforts by Members of the Congress to provide incentives for the construction of new plants.

But if you're somebody that says, "Greenhouse gases are of vital national interest," then you ought to be saying, "I'm for the development of nuclear powerplants." It is by far the best solution to making sure we have economic growth and, at the same time, be good stewards of the environment.

So when you couple increasing CAFE standards with using alternative fuels—which deals with the automobile area—as well as a good strategy on electricity, then all of a

sudden, you begin to see a strategy unfold. And by the way, the final thing is, is that we do have 250 years of coal. And I believe we can develop technologies that will enable us to use that coal in an environmentally friendly way.

So what I'm suggesting to you is, is that we do have a strategy. Our strategy is to bring others to the table. Our strategy is to develop our own plan to meet the national goals—the international goals that I hope we'll be able to set later on this summer. And you've just heard some of the components of it.

Yes, sir.

America's Image Abroad

Q. Mr. President, thank you. If I could return a minute to the CIA tapes. I realize you don't want to discuss it at this point, but given your remarks about the struggle against ideology, how concerned are you that your administration once again faces criticism, questions from people around the world about the handling of a terrorist suspect?

The President. You know, you're trying to get me to prejudge the outcome of this inquiry. And let's wait and see what happens. Let's wait and see what the facts are. And—look, we get criticized a lot for a variety of reasons. We're asking people to do hard things, for starters, which is intercept and find terrorists and to spread freedom. And there's isolationist tendencies in this world. People would rather stay at home. People would rather not aggressively pursue people overseas and aggressively pursue freedom. I understand that. We got people like that in our own country. That's why, in my State of the Union Address a couple of years ago, I talked about the perils of isolationism and protectionism. And the fundamental question facing whoever sits in the Oval Office is, will you use the influence of the United States to advance a freedom agenda to help others realize the blessings of liberty and yield peace?

So I don't want people to get the wrong impression of our country, but I'm not surprised we get criticized on a variety of fronts. And—on the other hand, most people like to come to our country, and most people love what America stands for. And so it's like I say about the Presidency: People in America

like the Presidency, and sometime they like the President. Get it? [*Laughter*]

Yes, ma'am.

***Syria/Lebanese Presidential Elections/
President's Trip to the Middle East***

Q. Mr. President, on the Middle East, will your trip to the Middle East—I know you're not going to Lebanon—will it help to stabilize Lebanon? As you know, President Sarkozy said that he spoke to President Asad, and he said his patience is running out.

The President. Yes.

Q. Was this coordinated with you? And are you willing to speak to President Asad to end the crisis in Lebanon?

The President. No, it wasn't coordinated with me, and my patience ran out on President Asad a long time ago. And the reason why is, is because he houses Hamas; he facilitates Hizballah—suiciders go from his country into Iraq; and he destabilizes Lebanon. And so if he's listening, he doesn't need a phone call. He knows exactly what my position is.

We are—our view on Lebanon—first of all, it's very important that Lebanon—Lebanon's democracy succeed. Secondly, as you know, we did work with the French on 1559 to get Syria out of Lebanon, and Syria needs to stay out of Lebanon. Syria needs to let the process in Lebanon work. And if they can't come to an agreement—I appreciate the sides trying to work on a common ground for a President, but if they can't come for agreement, then the world ought to say this: that the March 14th Coalition can run their candidate and their Parliament—majority plus one ought to determine who the President is. And when that happens, the world ought to embrace the President.

I'm looking forward to going to the Middle East. I've got a couple of objectives. One is to advance the Palestinian-Israeli peace process. Secondly is to continue to work with our Arab friends on reconciliation with Israel. And finally, is to assure people in the Middle East that we understand—or we'll show a strong commitment to the security of the region and a commitment to the security of our friends.

And it's going to be a great trip. I hope you're going with me.

Q. I am, actually.

The President. Good. [*Laughter*] So therefore, you use that as an opportunity to ask a followup. [*Laughter*]

Q. Absolutely.

The President. Didn't work. [*Laughter*]
Mike [Mike Allen, Politico].

U.S. Foreign Policy/Freedom Agenda

Q. Mr. President, you maybe saw that President Clinton said recently that one of the first actions of a new Clinton administration would be to send Presidents 41 and 42 on a worldwide good will mission to restore the country's good name abroad.

The President. Yes——

Q. I wonder if you think such a thing is necessary——

The President. Well, 41 didn't think it's necessary. It sounds like it's going to be a one-man trip. [*Laughter*]

Yes, Michael, do you want to try——

Q. Mr. President, I wonder if you would consider doing such a thing during your Presidency, and do you think that——

The President. That's what I do during my Presidency. I go around spreading good will and talking about the importance of spreading freedom and peace. Go ahead. I don't know what I'm going to do after I'm President. Michael, I've got an exciting 13 months ahead—and I know you're just waiting for me to say "sprint to the finish line," so I won't. [*Laughter*] But it's—go ahead, Michael, try one more time.

Q. Okay. Mr. President, you maybe saw that your former colleague from the National Governors Association, Mike Huckabee——

The President. You're trying to get me in the race, Mike.

Q. No, sir.

The President. You're trying to drag me in the race. I know—what's your advice? Should I do it?

Q. Do it.

The President. Do it?

Q. Go for it. [*Laughter*]

The President. I plan on having some press conferences next year, and I suspect next year the questions will be even more plentiful about getting me to be the opiner in chief.

Yes, go ahead, Mike.

2008 Presidential Election

Q. Mr. President, this is a question about your foreign policy. You maybe saw that your foreign policy was described as arrogant, go-it-alone. I wonder why you disagree with that, and if there's any danger in having—

The President. That's a clever way of getting me in the race. Look, during the primaries and during the general election, I suspect my name may come up a lot, and what the American people need to do is to sort through the rhetoric and reality.

And so this is a subtle attempt to get me to start commenting about the primaries, and I'm not going to do so. I will wait, reserve judgment, be patient, and after the primaries are over, will help my party unify, because I believe we will keep the White House. I believe ours is the party that understands the nature of the world in which we live and that the Government's primary responsibility is to protect the American citizens from harm. And I will continue to remind the American people that our professionals need to have the tools necessary to make sure that we find out who's thinking about attacking us, and if they are, do something about it. That's what we're going to do.

We're also the party that understands that you can spend your money, Michael—all that money they pay you, you can spend it better than the Government can spend it. And therefore, we're going to keep taxes low. And we've got an economic—a plan that will keep this economy strong.

And I'm looking forward to doing my bit. In the meantime, I'm out raising money for the Republican Party, trying to make sure that once the primaries are over—that you're trying to drag me into—that we're united and ready to go. And I'm confident we'll hold the White House, and I'm confident we can pick up seats in both the Senate and the Congress.

Yes, sir.

National Economy

Q. So far, Republicans haven't mentioned your name.

Q. Yes, just a quick—

The President. No, not you. This guy right here. USA Today. Wolf [Richard Wolf].

Q. On keeping taxes—

The President. —yelled his name out—Wolf.

Q. Thank you, Mr. President. On keeping taxes low, part of the way you seem to be doing it is by not paying for some of the things that passed in the last couple days—emergency spending on Iraq, the AMT fix. Can you tell us why it's not irresponsible to pass these costs along to our kids? And I'm also tempted to ask, at the top of this, you talked about the wasteful spending and an initiative that you were going to—with Director Nussle. Can you give us a little bit of a hint on how you're going to go after—

The President. No, I think we better—that will be an interesting nugget for next year. And secondly, we have been reducing the deficit. Progrowth economic policies work. By cutting taxes, the economy grows, which yields more revenues for the Treasury. And then the fundamental question is, can we bring fiscal discipline on the spending side? The argument that you've got to raise taxes to make sure your children don't pay debt only works if the Government doesn't follow suit and spend that money you raised on new programs.

My view is, is that given more money, the Government will find new ways to spend it. And secondly, by raising taxes, we'll slow down the economic growth of this country, which will increase deficits over time.

And so we're on a plan to reduce the deficit, and at the same time, fund our troops, and at the same time, keep taxes low. Progrowth economic policies has worked. And maybe somebody else thinks you can raise taxes and keep the economy growing; I don't. I think a sure way to hurt the economy is to run up taxes on people.

This other thing that's interesting—and you hear these people in the campaigns—even though I'm not going to opine about the primary—but they do talk about taxing the rich. I just want people to remember that many small businesses pay tax at the individual income tax level because they're organized not as c-corps, but as limited liability partnerships and s-corps, which means that they pay individual tax rates. And when you say you're going to tax the rich, you're taxing a lot of people that are hard-working people, and you're taxing small businesses. Small

businesses create most of the growth in our economy, most of the job growth. And a sure way to stop that from happening is to take money out of their treasury.

So I'm a strong believer that tax cuts work, and we need to keep taxes low.

Yes, sir. Dow Jones man [Henry "Jay" Pulizzi, Dow Jones Newsletter]. How's the market?

Q. I don't know. I'll check.

The President. Okay. Good. Thanks.

U.S. Financial Markets/Foreign Investors

Q. The mortgage crisis is leading some of the Nation's biggest financial institutions to seek investments from funds that are controlled by foreign governments. Is that something that concerns you?

The President. No, I like to get our money back. I think the world that is open for investment and trade is a world that will lead to overall prosperity. It's interesting that they're going to have to do that. My attitude is, is that Wall Street needs to put all their—put it all out there for everybody to see. They need to have the—off-balance sheet this and put out there for investors to take a look at. And if there's some write-downs to be done, they need to do it now.

And so I'm fine with capital coming in from overseas to help bolster financial institutions; I don't think it's a problem. I think what will be a problem is to say, we're not going to accept foreign capital, or we're not going to open markets, or we become protectionists. Protectionism would be a huge mistake for this country. And what's going to be an interesting test next year on whether or not we're going to be a country that trades with others and opens up markets is these free trade votes. I applaud the Congress for passing the Peruvian free trade deal. But we got some votes coming up with Colombia. That's going to be an interesting test to determine whether or not we remain—that we remain an open economy and that we expect others to treat us the way we treat them.

And I spoke this morning to the President-elect of South Korea. And the people there are going to be watching very carefully as to whether or not our Congress understands the importance of the relationship and that

they pass that free trade agreement with Korea. It's in our interests we do so.

But, no, I understand that people are—when they write down their assets, they may need to get a little extra capital on their balance sheets. And it doesn't trouble me at all; it doesn't. What troubles me is the fact that they—is that some of this paper isn't worth what people thought it was, and it's going to have to work through the system.

Listen, thank you all. Have a wonderful holiday season. Appreciate it.

NOTE: The President's news conference began at 10:01 a.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to Gen. Dan K. McNeill, USA, Commander, International Security Assistance Force, NATO, Afghanistan; President Hamid Karzai of Afghanistan; President Bashar al-Asad of Syria; and President-elect Lee Myung-bak of South Korea. A reporter referred to President Nicolas Sarkozy of France. The Office of the Press Secretary also released a Spanish language transcript of this news conference.

Remarks at a Swearing-In Ceremony for James B. Peake as Secretary of Veterans Affairs

December 20, 2007

The President. Good morning. Thanks for the warm welcome to the Department of Veterans Affairs. I am proud to introduce your new Secretary, Lieutenant General James Peake. And I am pleased to be joined by his wife, Janice, and daughter Kimberly, and her husband, Mack. I know they're proud of what Jim has accomplished during his career, and I thank them for supporting him in his work ahead.

I thank the Vice President for joining me today. We had a long ride over here, Jim. *[Laughter]* Plenty of time to visit. *[Laughter]* I want to thank the Secretary for joining us—Secretary of Defense Bob Gates; honored you're here, sir. Appreciate Elaine Chao, Secretary of Labor; Deputy Secretary Gordon Mansfield—I'm going to say something about you here in a minute. I appreciate Admiral Thad Allen, Commandant of the U.S. Coast Guard, for joining us. Thanks for coming, Admiral; General Dick Cody, Vice Chief

of Staff of the United States Army. I appreciate all those who wear the uniform who have joined us today as well.

I want to thank Arlen Specter, United States Senator, for joining us. Senator, thanks for coming. And my Congressman, the Congressman from central Texas, Congressman Chet Edwards, chairman of the Military Construction and Veterans Affairs Appropriations Subcommittee; proud you're here.

I want to thank the members of veterans service organizations who are with us today.

Audience member. Hoorah! *[Laughter]*

The President. Looking forward to working with you. *[Laughter]* And behave yourself. *[Laughter]*

The Secretary of Veterans Affairs has one of the most important jobs in our Government. The Secretary leads a Department of more than 240,000 employees, and I want to thank every one of them for serving our country; appreciate your hard work. The Secretary is charged with a solemn responsibility, to ensure our Nation's veterans receive the care and the benefits they deserve.

Dr. Jim Peake has the skills and experience to carry out this mission. He is both the first physician and the first general to lead this Department. His 36-year medical career has taken him to military bases across the world. And during the opening years of the war on terror, he directed the Army Medical Department as Army Surgeon General. In that position, he led more than 55,000 medical personnel and managed an operating budget of nearly \$5 billion. Throughout his long career, Dr. Peake has worked to improve the way we deliver medical care to our troops. And thanks to his efforts, many who once might have died on the battlefield have returned home to live lives of hope and promise.

We see this hope and promise in the story of Dr. Peake's own life. Dr. Peake's first stay at a military hospital came years before he entered his—earned his medical degree at Cornell. It came as a wounded patient during the Vietnam war. This West Point graduate received several medals for his valor, including the Silver Star; he earned a reputation for honor and selflessness.

Dr. Peake learned those values from his loving parents who taught him the meaning

of service. His mother was an Army nurse. His father was an Army officer, who spent most of his 30-year career in the Medical Service Corps. And I know they both would be proud to see their oldest son, Jim, become the Secretary of Veterans Affairs.

Dr. Peake follows in the footsteps of another fine public servant and Vietnam combat veteran, Secretary Jim Nicholson. Throughout his career, Jim Nicholson has served our Nation with honor and integrity—as an Army Ranger, an ambassador, and as Secretary of Veterans Affairs. Secretary Nicholson built on the fine record of his predecessor, Tony Principi—Mr. Secretary, glad you're here today—and he leaves an impressive legacy of his own. Under his leadership, this Department has worked to meet the needs of new veterans returning home from Afghanistan and Iraq. Secretary Nicholson also launched an effort to modernize the Department's information technology systems, so we can better protect patients' personal information. I want to thank Jim for his work on behalf of our Nation's veterans, and I wish him and his wife Suzanne all the very best.

I also want to thank Deputy Secretary Gordon Mansfield. He served as the Acting Secretary for Veterans Affairs since October. Gordon is a retired Army officer who has dedicated much of his career to serving his fellow veterans. I've benefited from Gordon's wisdom and counsel, and he did a terrific job as Acting Secretary during this time of transition.

Dr. Peake takes office at a critical moment in the history of this Department. Our Nation is at war, and many new veterans are leaving the battlefield and entering the VA system. This system provides our veterans with the finest care, but sometimes the bureaucracy can be difficult. To address these problems, our administration, along with the Secretary's leadership, is implementing recommendations of the Dole-Shalala Commission on Wounded Warriors. In other words, we're not going to tolerate bureaucratic delays. We want the very best for our veterans. Some of the Commission's recommendations require the approval of Congress—and Congressman and Senator, we're looking forward to working with you on

those. I've sent legislation to Congress to carry out these additional recommendations, and Dr. Peake is going to work with Members from both sides of the aisle to get me a good bill that I can sign into law.

Our Nation has no higher calling than to provide for those who have borne the cost of battle, and we will honor our responsibilities. I am confident in the future of this Department because I have seen firsthand the dedication and character of the men and women who work here. And I am confident that you will have a worthy and strong leader in our new Secretary.

Congratulations, Jim. I appreciate your willingness to serve. And now I ask the Vice President to administer the oath.

NOTE: The President spoke at 11:24 a.m. at the Department of Veterans Affairs. In his remarks, he referred to former Senator Bob Dole and former Secretary of Health and Human Services Donna E. Shalala, Coauthors, President's Commission on Care for America's Returning Wounded Warriors. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Peake.

Remarks on Signing the Mortgage Forgiveness Debt Relief Act of 2007

December 20, 2007

Thank you all for coming. Welcome to the White House. I'm pleased to sign a bill that will help homeowners who are struggling with rising mortgage payments. The Mortgage Forgiveness Debt Relief Act of 2007 will protect families from higher taxes when they refinance their homes. It will help hard-working Americans take steps to avoid foreclosure during a period of uncertainty in the housing market. I want to thank Members of Congress for getting this bill passed. I appreciate it very much. It's been a joy working with you.

I thank my Secretary of the Treasury, Hank Paulson, and Secretary of Housing and Urban Development Alphonso Jackson for taking the lead in helping people stay in their homes. I particularly want to thank the chairman of the Finance Committee, Max Baucus, Senator Debbie Stabenow of Michigan, and

Senator George Voinovich of Ohio for sponsoring this legislation.

I remember calling you on the phone, telling you that I'm going to propose the same thing you are—talked to George as well—and it's been a joy to work with you.

I want to thank Jim McCreery of the House, Stephanie Tubbs Jones, and Rob Andrews. Appreciate you all being here.

I want to thank the staff who works hard at the Treasury and HUD to make this deal work. Appreciate your hard work.

In recent months, our Nation's housing market has faced serious strains. Home values have fallen in many parts of our country. At the same time, many homeowners with adjustable rate mortgages have seen their monthly payments increase faster than their ability to pay. And now some homeowners face the prospect of foreclosure.

My administration has taken strong steps to help homeowners avoid foreclosure by making it easier to refinance loans. We gave the Federal Housing Administration greater flexibility to refinance loans for struggling homeowners. We helped assemble a private-sector group of lenders, loan servicers, investors, and mortgage counselors called the HOPE NOW Alliance. This group has agreed on a set of industry-wide standards to help those with subprime loans refinance or modify their mortgages, so more families can stay in their homes.

The bill I sign today will help this effort by ensuring that refinancing a mortgage does not result in a higher tax bill. Under current law, if the value of your house declines and your bank or lender forgives a portion of your mortgage, the Tax Code treats the amount forgiven as money that can be taxed. And of course, this makes a difficult situation even worse. When you're worried about making your payments, higher taxes are the last thing you need to worry about. So this bill will create a 3-year window for homeowners to refinance their mortgage and pay no taxes on any debt forgiveness that they receive. And it's a really good piece of legislation. The provision will increase the incentive for borrowers and lenders to work together to refinance loans, and it will allow American families to secure lower mortgage payments without facing higher taxes.

With this bill, Congress has taken a strong step to address the turbulence in the housing market. Yet there's more work to be done. The Congress needs to pass legislation permitting State and local governments to issue tax-exempt bonds for refinancing existing home loans. And Congress needs to pass legislation strengthening the independent regulator of Government-sponsored enterprises like Freddie Mac and Fannie Mae, so we can keep them focused on the mission to expand homeownership. Congress needs, as well, to complete work on responsible legislation modernizing the Federal Housing Administration, so that we can give the FHA the necessary flexibility to help hundreds of thousands of additional families qualify for prime-rate financing.

By taking these steps, we can help our homeowners—and we'll help more Americans become homeowners. We want people to have a place they can call their own. After all, it's an essential part of the American Dream. And we want that dream to extend throughout our Nation.

I want to thank the Members for joining us. I wish you all happy holidays. And this is going to make a happy holiday for many homeowners. Thanks for coming.

NOTE: The President spoke at 1:05 p.m. in the Roosevelt Room at the White House. H.R. 3648, approved December 20, was assigned Public Law No. 110-142.

Remarks Following a Visit With Wounded Troops at Walter Reed Army Medical Center

December 20, 2007

Thank you all for joining me. I've just come down from a tour of a couple of the wards up there here at Walter Reed. First, I'm inspired by the quality of health care. Americans may wonder whether or not our troops are getting the best possible health care, and they are. They're not only getting great care from good docs and nurses; they're getting a lot of compassion and a lot of love up in the wards. And so I want to thank you all. General, thank you very much for taking the lead.

This past month is the lowest number of patients being admitted here since '02, and that's good news. It's good news for families who worry about their loved ones in harm's way, and it's good news for the staff here who would like nothing more to be—to have nobody come in here. Every time I come to a facility like this, I count my blessings. And one of the great blessings is to be the President of a country that produces such brave men and women.

And so as we head into the holiday seasons, I ask for the good Lord's blessings on those in harm's way and their families. And I want to thank you again, General, for your hospitality. I appreciate you having me. Thank you. Thank you all.

NOTE: The President spoke at 4:14 p.m. In his remarks, he referred to Maj. Gen. Carla G. Hawley-Bowland, USA, commanding general, North Atlantic Regional Medical Command and Walter Reed Army Medical Center.

Proclamation 8213—To Implement an Amendment to the Dominican Republic-Central America-United States Free Trade Agreement

December 20, 2007

By the President of the United States of America

A Proclamation

1. On August 5, 2004, the United States entered into the Dominican Republic-Central America-United States Free Trade Agreement (the "Agreement") with Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (the "Agreement countries"). The Congress approved the Agreement in section 101(a) of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act (the "CAFTA-DR Act") (19 U.S.C. 4011).

2. The Parties to the Agreement entered into an amendment to the Agreement on July 27, August 6, and August 14, 2007 (the "Amendment"). The terms of the Amendment are contained in letters of understanding between the United States and the Agreement countries described in sections

1634(a)(2) and 1634(b)(2) of the Pension Protection Act of 2006 (Public Law 109–280, 120 Stat. 780).

3. Section 1634 of the Pension Protection Act authorizes the President to proclaim modifications to the Harmonized Tariff Schedule of the United States (HTS) as necessary to carry out the understandings described therein subject, in the case of certain provisions of the Amendment, to the consultation and layover requirements in section 104 of the CAFTA–DR Act (19 U.S.C. 4014).

4. Section 203(o) of the CAFTA–DR Act (19 U.S.C. 4033) authorizes the President to proclaim, as part of the HTS, the provisions set out in Annex 4.1 of the Agreement.

5. Executive Order 11651 of March 3, 1972, as amended, established the Committee for the Implementation of Textile Agreements (CITA), consisting of representatives of the Departments of State, the Treasury, Commerce, and Labor, and the Office of the United States Trade Representative, with the representative of the Department of Commerce as Chairman, to supervise the implementation of textile trade agreements. Consistent with 3 U.S.C. 301, when carrying out functions vested in the President by statute and assigned by the President to CITA, the officials collectively exercising those functions are all to be officers required to be appointed by the President with the advice and consent of the Senate.

6. Section 604 of the Trade Act of 1974, as amended (the “1974 Act”) (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of relevant provisions of that Act, or other acts affecting import treatment, and of actions taken thereunder.

Now, Therefore, I, George W. Bush, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to section 203 of the CAFTA–DR Act, section 1634 of the Pension Protection Act, section 301 of title 3, United States Code, and section 604 of the 1974 Act, do proclaim that:

(1) In order to provide generally for the modifications in the rules for determining whether goods imported into the customs territory of the United States are eligible for

preferential tariff treatment under the Agreement, to provide preferential tariff treatment for certain other goods under the Agreement, and to make technical and conforming changes in the general notes to the HTS, the HTS is modified as set forth in:

(a) Sections A, B, and C of the Annex to this proclamation; and

(b) Section D of that Annex.

(2) The modifications to the HTS made by paragraph (1)(a) of this proclamation shall enter into effect on the date, as announced by the United States Trade Representative in the *Federal Register*, that the Amendment enters into force and shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after that date.

(3) The modifications to the HTS made by paragraph (1)(b) of this proclamation shall enter into effect on the date, as announced by the United States Trade Representative in the *Federal Register*, that the Amendment has entered into force and the conditions set forth in paragraph (a), paragraph (b), or both, of footnote 1 to Appendix 4.1–B of the Agreement have been fulfilled, and shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after that date.

(4) The CITA is authorized to exercise my authority under section 203(o) of the CAFTA–DR Act to implement Appendix 4.1–B of the Agreement by determining whether and, if so, by what amount, to increase in accordance with paragraph 3 or footnote 2 of that Appendix the quantitative limits in the provisions of the HTS set out in section D of the Annex to this proclamation.

(5) The United States Trade Representative shall modify U.S. note 21 to subchapter XXII of chapter 98 of the HTS in a notice published in the *Federal Register* to reflect determinations pursuant to paragraph (4) of this proclamation by the CITA.

(6) Any provisions of previous proclamations and Executive Orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

In Witness Whereof, I have hereunto set my hand this twentieth day of December, in

the year of our Lord two thousand seven, and of the Independence of the United States of America the two hundred and thirty-second.

George W. Bush

[Filed with the Office of the Federal Register, 9:06 a.m., December 26, 2007]

NOTE: This proclamation and its attached annex were released by the Office of the Press Secretary on December 21, and they will be published in the *Federal Register* on December 27. The Office of the Press Secretary also released a Spanish language version of this proclamation.

Message on the Observance of Christmas 2007

December 21, 2007

“But the angel said to her, ‘Do not be afraid, Mary, you have found favor with God. You will be with child and give birth to a son, and you are to give him the name Jesus. He will be great and will be called the Son of the Most High . . . his kingdom will never end.’”

Luke 1:30–33

During the Christmas season, our thoughts turn to the source of joy and hope born in a humble manger on a holy night more than 2,000 years ago. Each year, Christians everywhere celebrate this single life that changed the world and continues to change hearts today. The simple and inspiring story of the birth of Jesus fills our souls with gratitude for the many blessings in our lives and promises that God’s purpose is justice and His plan is peace.

At this special time of year, we give thanks for Christ’s message of love and mercy, and we are reminded of our responsibility to serve. America is blessed to have fine citizens who reach out with a compassionate hand to help brothers and sisters in need. We also remember our brave men and women in uniform who have volunteered to defend us in distant lands. Many of those who have answered the call of duty will spend Christmas far from home and separated from family. We honor their sacrifice, ask God to watch

over them and their families, and pray for their safe return.

Christmas is a time to rejoice and remember the birth of Jesus Christ. Laura and I pray your Christmas will be blessed with family and fellowship, and we wish you a day of glad tidings. Merry Christmas.

George W. Bush

NOTE: An original was not available for verification of the content of this message.

Message Sending Holiday Greetings to Members of the Armed Forces

December 21, 2007

To the Men and Women of the United States Armed Forces

On behalf of a grateful Nation, Laura and I send our best wishes for the holidays.

In this season of giving, we remember our duty to others, and we see that sense of duty fulfilled in the men and women who wear our Nation’s uniform. Our country owes you a debt of gratitude for your courage and resolve to serve the cause of peace. Americans are proud of your dedicated service, and I am proud to be the Commander in Chief of the greatest force for freedom in the history of the world.

Our Nation is thankful for the many sacrifices you and your families make every day. During the holidays and throughout the coming year, we ask the Almighty to bestow His protection and care on you and your loved ones. We pray for your safety and for liberty, justice, and peace on Earth.

Laura and I wish you a joyful holiday season. May God bless you, and may God continue to bless America.

George W. Bush

NOTE: An original was not available for verification of the content of this message.

Message on the Observance of Kwanzaa 2007

December 21, 2007

I send greetings to those observing Kwanzaa.

Established in 1966, Kwanzaa is celebrated each year as an opportunity for African Americans to honor African traditions of family, community, and culture. During the seven days leading up to the New Year, millions of individuals reflect on the past and renew their commitment to the principles of Kwanzaa—unity, self determination, collective work and responsibility, cooperative economics, purpose, creativity, and faith.

As family and friends gather to celebrate Kwanzaa, our citizens are reminded of the many African Americans who have contributed their talent and strength to this great Nation. I commend those observing this holiday for taking pride in your rich heritage. May the coming year be filled with the blessings of health and happiness.

Laura and I send our best wishes for a joyous Kwanzaa celebration.

George W. Bush

NOTE: An original was not available for verification of the content of this message.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

December 15

In the morning, the President had an intelligence briefing.

December 17

In the morning, the President had an intelligence briefing. Later, he traveled to Fredericksburg, VA.

In the afternoon, the President returned to Washington, DC.

December 18

In the morning, the President had an intelligence briefing.

In the afternoon, in the Oval Office, the President participated in a signing ceremony

for H.R. 3315, designating the Great Hall of the Capitol Visitor Center as Emancipation Hall.

The White House announced that the President will travel to Israel, the West Bank, Kuwait, Bahrain, the United Arab Emirates, Saudi Arabia, and Egypt from January 8–16, 2008.

The President declared a major disaster in Oklahoma and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe winter storms on December 8 and continuing.

The President announced his intention to nominate Irene B. Brooks to be Chairman and Samuel W. Speck to be a Commissioner of the International Joint Commission of the United States and Canada.

The President announced his intention to nominate Robert G. McSwain to be Director of the Indian Health Service within the Public Health Service at the Department of Health and Human Services.

The President announced his intention to nominate Deanna Tanner Okun to be Deputy U.S. Trade Representative with the rank of Ambassador.

December 19

In the morning, the President had an intelligence briefing. Later, in front of the Dwight D. Eisenhower Executive Office Building, he and Vice President Dick Cheney thanked Washington, DC, firefighters who responded to a fire in the Vice President's ceremonial office.

In the afternoon, the President traveled to the National Naval Medical Center in Bethesda, MD, where he visited with wounded U.S. military personnel and presented Purple Heart medals to service members. He then returned to Washington, DC.

December 20

In the morning, the President had an intelligence briefing.

In the afternoon, the President visited Walter Reed Army Medical Center where he met with wounded U.S. military personnel and presented Purple Heart medals to soldiers.

December 21

In the morning, the President had an intelligence briefing. Later, he and Mrs. Bush traveled to Camp David, MD.

**Nominations
Submitted to the Senate**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted December 19

Richard A. Boucher,
of Maryland, a career member of the Senior Foreign Service, class of Career Minister, for the personal rank of Career Ambassador in recognition of especially distinguished service over a sustained period.

William J. Burns,
of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, for the personal rank of Career Ambassador in recognition of especially distinguished service over a sustained period.

Robert D. Jamison,
of Virginia, to be an Under Secretary of Homeland Security.

Robert G. McSwain,
of Maryland, to be Director of the Indian Health Service, Department of Health and Human Services, for the term of 4 years, vice Charles W. Grim, resigned.

Deanna Tanner Okun,
of Idaho, to be a Deputy U.S. Trade Representative, with the rank of Ambassador, vice Karan K. Bhatia.

Anne Woods Patterson,
of Virginia, a career member of the Senior Foreign Service, class of Career Minister, for the personal rank of Career Ambassador in recognition of especially distinguished service over a sustained period.

C. David Welch,
of Virginia, a career member of the Senior Foreign Service, class of Career Minister, for the personal rank of Career Ambassador in recognition of especially distinguished service over a sustained period.

Jamsheed K. Choksy,
of Indiana, to be a member of the National Council on the Humanities for a term expiring January 26, 2014, vice Lawrence Okamura, term expiring.

Dawn Ho Delbanco,
of New York, to be a member of the National Council on the Humanities for a term expiring January 26, 2014, vice Dario Fernandez-Morera, term expiring.

Gary D. Glenn,
of Illinois, to be a member of the National Council on the Humanities for a term expiring January 26, 2014, vice Stephan Thernstrom, term expiring.

David Hertz,
of Indiana, to be a member of the National Council on the Humanities for a term expiring January 26, 2014, vice Jewel Spears Brooker, term expiring.

Marvin Bailey Scott,
of Indiana, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 2010, vice Thomas K. Lindsay, resigned.

Carol M. Swain,
of Tennessee, to be a member of the National Council on the Humanities for a term expiring January 26, 2014, vice Sidney McPhee, resigned.

Withdrawn December 19

Robert D. Jamison,
of Virginia, to be Under Secretary for National Protection and Programs, Department of Homeland Security, vice George W. Foresman, resigned, which was sent to the Senate on September 4, 2007.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released December 15

Statement by the Press Secretary on the Thirteenth Conference of the Parties to be hosted by the President of Indonesia in Bali

Released December 17

Fact sheet: FISA Legislation Necessary To Keep Our Nation Safe

Released December 18

Transcript of a press briefing by Press Secretary Dana Perino

Statement by the Press Secretary on the President's travel to Israel, the West Bank, Kuwait, Bahrain, the United Arab Emirates, Saudi Arabia, and Egypt from January 8–16, 2008

Statement by the Press Secretary: Nuclear Weapons Stockpile Transformation

Statement by the Press Secretary announcing that the President signed H.R. 3315

Statement by the Press Secretary on disaster assistance to Oklahoma

Fact sheet: Energy Bill Responds to President's "Twenty in Ten" Vision

Released December 19

Transcript of a press briefing by Press Secretary Dana Perino

Statement by the Press Secretary on a New York Times story on the White House's involvement in the CIA's decision to destroy interrogation tapes

Statement by the Press Secretary on congressional passage of Alternative Minimum Tax legislation

Statement by the Press Secretary on the reauthorization of State Children's Health Insurance Program (SCHIP) legislation

Fact sheet: Energy Independence and Security Act of 2007

Released December 20

Fact sheet: Lt. Gen. James B. Peake (Ret.), M.D.: "A Worthy and Strong Leader" for Our Nation's Veterans

Fact sheet: Year in Review: 2007

Fact sheet: The Mortgage Forgiveness Debt Relief Act of 2007

Released December 21

Transcript of a press gaggle by Deputy Press Secretary Tony Fratto

Statement by the Deputy Press Secretary: December 23 Elections in Thailand

Statement by the Press Secretary announcing that the President signed H.R. 365, H.R. 710, H.R. 2408, H.R. 2671, H.R. 3703, H.R. 3739, H.J. Res. 72, S. 597, S. 888, S. 2174, S. 2371, S. 2484, and S.J. Res. 8

Statement by the Press Secretary on the resignation of Andrew S. Natsios as Presidential Special Envoy to Sudan

Acts Approved by the President

Approved December 18

H.R. 3315 / Public Law 110–139
To provide that the great hall of the Capitol Visitor Center shall be known as Emancipation Hall

Approved December 19

H.R. 6 / Public Law 110–140
Energy Independence and Security Act of 2007

H.R. 4118 / Public Law 110–141
To exclude from gross income payments from the Hokie Spirit Memorial Fund to the victims of the tragic event at Virginia Polytechnic Institute & State University

Approved December 20

H.R. 3648 / Public Law 110–142
Mortgage Forgiveness Debt Relief Act of 2007

Approved December 21

H.R. 365 / Public Law 110–143
Methamphetamine Remediation Research Act of 2007

H.R. 710 / Public Law 110–144
Charlie W. Norwood Living Organ Donation Act

H.R. 2408 / Public Law 110–145
To designate the Department of Veterans Affairs outpatient clinic in Green Bay, Wisconsin, as the “Milo C. Huempfner Department of Veterans Affairs Outpatient Clinic”

H.R. 2671 / Public Law 110–146
To designate the United States courthouse located at 301 North Miami Avenue, Miami, Florida, as the “C. Clyde Atkins United States Courthouse”

H.R. 3703 / Public Law 110–147
To amend section 5112(p)(1)(A) of title 31, United States Code, to allow an exception from the \$1 coin dispensing capability requirement for certain vending machines

H.R. 3739 / Public Law 110–148
To amend the Arizona Water Settlements Act to modify the requirements for the statement of findings

H.J. Res. 72 / Public Law 110–149
Making further continuing appropriations for the fiscal year 2008, and for other purposes

S. 597 / Public Law 110–150
To amend title 39, United States Code, to extend the authority of the United States Postal Service to issue a semipostal to raise funds for breast cancer research

S. 888 / Public Law 110–151
Genocide Accountability Act of 2007

S. 2174 / Public Law 110–152
To designate the facility of the United States Postal Service located at 175 South Monroe Street in Tiffin, Ohio, as the “Paul E. Gillmor Post Office Building”

S. 2371 / Public Law 110–153
To amend the Higher Education Act of 1965 to make technical corrections

S. 2484 / Public Law 110–154
To rename the National Institute of Child Health and Human Development as the Eunice Kennedy Shriver National Institute of Child Health and Human Development

S.J. Res. 8 / Public Law 110–155
Providing for the reappointment of Patricia Q. Stonesifer as a citizen regent of the Board of Regents of the Smithsonian Institution